What's Left of the Left

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Reluctantly Center-Left?

The French Case

Arthur Goldhammer and George Ross

Structuring the Puzzle

France today is often portrayed as a country uniquely refractory to reform. This is highly misleading. In the decades following the Second World War, which Jean Fourastié has referred to as les Trente Glorieuses, deep structural reform enabled France to achieve a rate of growth in per capita GDP that was among the highest in Europe.¹ The resources that made this remarkable performance possible—technologically advanced firms, superbly trained elites, highly productive workers, and a political will to remain competitive—remain in place. In recent times, however, France has been slow to respond to the challenges of the increasingly globalized economy. One reason for this has been that the French left has had serious difficulties functioning in this new environment.

Why has the French left had such difficulties? To answer this question we begin by underlining three persistent elements of the French political system that mark the period from the 1960s to the present. The first is chronic division. Unlike some other lefts, the French left has always been divided.² Communists and Socialists coexisted, often with smaller groups around them and frequently in conflict, for much of the twentieth century. The competitive games that these divisions created have complicated the tasks of devising the left’s goals, programs, and policies, with powerful consequences for its identities and prospects. Next, partly because of these divisions, the left has been fixated on preserving a French social model. At the end of the Second World War elites agreed on the need for rapid economic modernization led by the state, together with an extensive welfare system under “paritary management,” according to which social insurance programs (health, pension, unemployment) were administered not by the state but by employer associations, unions, and other organized “stakeholders.” The left has increasingly defined itself as the defender of this distinctive “French model.” The third element is
presidentialism. The Constitution of the Fifth Republic endowed the presidency with vast powers, making it the linchpin of French political life, and diminishing the power of Parliament. Accompanying this, a two-round electoral system, intended to transform a multiparty system into a bipolar one, meant that a successful presidential candidate had to be able not only to unite his own party but also to appeal to centrist voters in the second round. These three structural elements have shaped the left’s response to the challenges of the post-Keynesian era.

François Mitterrand Climbs the Summit

Since all power flowed from the presidency, the Socialists had to find a way to defy the old adage that “you can’t win with the Communists and can’t win without them.” Mitterrand, leader of the Parti Socialiste (PS) since its reorganization in 1969–71, therefore struck a deal with the Parti Communiste Français (PCF), set out in the landmark “Common Program for a Government of the Left” (1972). The program, biased toward the PCF’s reform proposals, advocated extensive new nationalizations, planning, energetic Keynesianism, expanded welfare programs, enhanced powers for unions and workers, and decentralization. With this compact Mitterrand came very close to defeating Valéry Giscard d’Estaing in 1974.

Giscard, intent upon building a new hegemonic center-right party, favored liberalizing social and economic reforms of which many Gaullists disapproved. The left began to argue that “liberalism,” as practiced by Giscard and Raymond Barre, prime minister after 1976, marked a repudiation of the French postwar model and promised a “return to the model” if elected. The international situation had changed, however. In the English-speaking countries monetarism was becoming the new orthodoxy; price stability, even at the expense of employment, replaced Keynesian stimulus policies. In line with these trends Giscard and Chancellor Helmut Schmidt of Germany agreed to create a European Monetary System to limit the damage from floating exchange rates. Over time this system was likely to impose rigorous German monetary standards on the traditionally more lax French.3

The stage was thus set for the presidential elections in the spring of 1981, the critical moment for the French left. In the first round Mitterrand stood for the Socialists, Georges Marchais, secretary general of the PCF, for the Communists. On the right Giscard d’Estaing, the incumbent, faced a determined Jacques Chirac, the neo-Gaullist. Mitterrand (with 25.85%) decisively defeated Marchais (15.34%, down 6% from Jacques Duclos’s share of the vote in 1979) and then Giscard in the second round. The PS also captured an absolute
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A majority of seats in the National Assembly, leaving the Communists no choice but to join a left unity government under the new prime minister, Pierre Mauroy. For a brief period the left’s persistent division was overcome, therefore, and the first eighteen months of Mitterrand’s experiment demonstrated that he was serious about restoring the French postwar model, with the state in a leading economic role. The government nationalized several key industrial firms and most banks. Other key reforms included political decentralization, enhanced representation in the workplace, and stronger legal foundations for local unions, which led to greater flexibility in collective bargaining. The left also introduced a wealth tax on large fortunes (the Impôt de Solidarité sur la Fortune, or ISF), abolished the death penalty, and privatized television and radio networks.

The more immediate problem was high unemployment. To combat this, 170,000 new public sector jobs were created in 1981–82. The left also tried to stimulate consumption by raising the minimum wage, pensions, family allowances, and housing subsidies. A fifth week of vacation was added, the retirement age was reduced to sixty, and negotiations were begun to shorten the legal work week to thirty-nine hours. The effort failed, however. Unemployment rose by 300–400,000 in the first year, and high inflation led to exchange difficulties. Because France had attempted to reflate while other countries deflated, much of France’s additional demand went to purchase cheaper foreign goods, creating the largest balance-of-payments deficit in French history. The franc came under pressure within the European Monetary System, and a first devaluation in the fall of 1981 failed to alleviate the problem. More generally, combining supply-side “progressive” technocratic statism with strong Keynesianism clearly did not work.

The U-Turn

The bills began to come due around June 1982, when the government retreated with tough austerity measures, including a wage and price freeze, new restrictions on capital movements, de-indexing of wages, high interest rates, and draconian budget cuts. The new policies proved to be effective but not sufficient, and by the spring of 1983 the left faced a critical choice: either leave the EMS and float the franc, or stay and make basic domestic economic policy changes. After hesitating Mitterrand favored the second option, which led to the so-called U-turn. The government abruptly stopped using the public sector to maintain employment and turned instead to harsh industrial restructuring.

The shift affected diplomatic as well as economic policy. To Mitterrand, a
staunch European, staying in the EMS meant renewed engagement with European integration. Austerity was unpopular, and Mitterrand needed a justification for his choice. Belt-tightening could be presented as a means to achieve noble European goals. The idea was to use European integration, which France strongly favored, to apply outside pressure in support of needed domestic policy changes in France. One result was the appointment of Jacques Delors as president of the European Commission.

In January 1985 Delors, Mitterrand’s first finance minister and an architect of the policy shifts of 1982–83, launched a vast program to liberalize and deregulate the EC internal market. He would subsequently propose a new Economic and Monetary Union (EMU). The French hoped thereby to seize some control over monetary policy from the German Bundesbank and thus reduce the bias toward price stability, at the cost of ceding French monetary policy prerogatives to European control.

The turn to austerity, the abandonment of key instruments of statist economic control, and the new European initiatives meant that important features of the French postwar model would be jettisoned. What remained was a French social model, without the full range of economic policy prerogatives that had kept it on track during les Trente Glorieuses. In the medium term there was perhaps vague hope that liberalization and Europeanization would rekindle growth and reduce unemployment. In the short run, however, the left needed to satisfy its electorate. The Socialist-governmental left had successfully coopted a part of the Communist-extragovernmental left’s base, beginning the long, slow decline of the PCF. Yet without policies to satisfy the hopes that had been aroused in 1981, the PS could easily lose the new voters it had gained—voters who saw themselves as constituting a distinct left wing of the party, not always in solidarity with the increasingly center-left leadership and its very different social base.

Mitterrand won reelection in 1988, but the economic situation had worsened. Unemployment, 6% when the left won in 1981, had risen to over 11% by 1987. Earlier reforms, enacted in a more hopeful time, were now incorporated into a set of policies that have been described as the “social treatment of unemployment.” A shorter work week, a fifth vacation week, and a reduced retirement age kept unemployment levels from rising even higher, albeit at the cost of lowering labor force participation rates. An ordinance in 1982 gave workers strong incentives to “pre-retire,” or go half-time at fifty-five or even fifty (many were obliged to do so). In 1984 the government instituted further early retirement incentives to encourage industrial restructuring. New youth employment programs, usually involving temporary training positions, were added to the mix. More spending on education pushed a higher percentage of each age cohort into university and technical training, to similar effect.
Left governments were loath to change the standard labor contract (the CDI, or contrat à durée indéterminée). In contrast to countries with “flexi-curity” arrangements—where law and social policy protect workers rather than jobs—the CDI protected particular jobs rather than workers. The CDI had been an important working-class victory, to be tampered with by left governments at great risk. But in a period of increasing economic uncertainty its persistence led French employers to avoid new CDI hires except in the most buoyant of economic circumstances. When the left tried to encourage new hiring, it therefore generally resorted to new, temporary, often heavily subsidized employment contracts. This made those who already had CDIs more defensive and those who did not more insecure. Older workers were likely to be better protected than younger ones. Younger workers with fewer educational credentials were worst off. Universalist republican rhetoric notwithstanding, differences between insider and outsider thus grew rapidly.

France’s workforce and labor market changed dramatically in these years. French society was becoming more “dualized”: a part of the population held steady jobs at reasonable pay and enjoyed social protections; others lived more precarious lives. In the presidential campaign of 1988 Mitterrand responded to growing public concern about social exclusion by proposing the RMI (revenu minimum d’insertion). In time, despite tight eligibility control, the “insertion” part of the RMI became less important than the “revenu,” owing to the chronic absence of jobs.

The cost of French social policy therefore increased rapidly (from 19.2% of GDP in 1970, to 26% in 1981 and nearly 30% in 1995). Since payroll taxes paid for key welfare provisions, rising tax levels pushed France out of line with its European competitors. This prompted the creation of the contribution sociale généralisée (CSG) in December 1990. The CSG was a new flat tax on incomes dedicated to financing social programs, set initially at 1.1%. The idea was to broaden the tax base sustaining the French social model, a change justified in the name of “solidarity.”

For the two most expensive social programs, pensions and healthcare, cost pressures increased. Pension costs rose in part because of changing demographics but also because the “social treatment of unemployment” removed older workers from the labor force by encouraging early retirement. In healthcare costs rose for the same reasons as everywhere else, including changing demographics and expensive technological progress. The French welfare state model contributed to these cost pressures. The model, it will be recalled, was built primarily on social insurance programs managed in a “paritary” way. Immediate stakeholders shaped policy decisions, with a tendency to offload costs on others. Yet paritary management and maintaining the stakeholders’ voice were untouchable. Governments that pushed too hard
to lower costs faced strikes and protests. Pension reform, for example, became a political third rail, while government efforts to reduce hospital costs (the one area of healthcare that it did control) prompted walkouts by nurses and physicians.

The government of Michel Rocard (1988–91) was as close to being “center-left” as French Socialists in the Mitterrand era came. Rocard benefited from the first serious upturn in the European and international economy since the 1970s, with GDP growth jumping to nearly 4% in 1988 and 1989. But France’s structural economic problems remained. The economy was sluggish, the social treatment of unemployment was very expensive and compounded labor market rigidities, and chronic budgetary deficits obliged a constant chipping away at social costs.

The end of the Mitterrand years was also troublesome for the PS. The party was racked by scandal. With Mitterrand’s second term expiring in 1995 and the president himself dying, struggles over leadership and potential presidential candidacies revived bitter factional disputes. One flashpoint occurred during the referendum campaign on the Maastricht Treaty in 1992. The PS and the Union pour la Démocratie Française (UDF), Giscard’s center-right party, formed a united front to promote a “yes” vote, and they eventually prevailed, though barely. But parts of the PS, including the Centre d’Études et d’Éducation Socialistes (CERES) faction around Jean-Pierre Chevènement, campaigned for a “no.” The episode showed that the decline of the PCF had not ended division on the left. Other “extragovernmental” political forces and social movements sought to occupy the spaces that the PCF had vacated. It was at this point, for example, that nationalist anti-globalization sentiment emerged, led by new groups, including the Association pour la Taxation des Transactions Financières et l’Aide aux Citoyens (ATTAC). These developments inevitably had repercussions inside the PS. Cowed by the renewed hard-left sentiment, all but a few center-left PS reformers muted their rhetoric.

The EMU that emerged from Maastricht was decisively “monetarist,” despite the French aim of weakening German influence over European monetary policy. The new European Central Bank would be completely committed to price stability, while the treaty contained only vague language about coordinating macroeconomic policy and promoting growth. Maastricht also established strict convergence criteria for potential EMU members, including targets on national budget deficits (less than 3% of GDP), debt levels (less than 60% of GDP), interest, and inflation. In 1991 France was well placed to meet these targets, but this soon changed.

German post-unification policies helped fuel a European boomlet in 1991–92. When the Bundesbank tried to correct, it overshot, instigating a recession that hit France hard. Failing to meet convergence targets was not an option:
without France there could be no EMU, which would have been a disastrous defeat for the European integration that French statesmen had worked to promote. Yet the new policy constraints inevitably meant austerity, slow growth, and higher unemployment. The structural problems that had emerged in the 1980s would grow more serious over time. In the twilight of the Mitterrand years it fell to the right to deal with the consequences.

The Post-Mitterrand Era

The era of “historic compromise” à la française, which began with the Congress of Épinay in 1971, had thus reached its end. Mitterrand, the inscrutable master strategist and tactician (known by the sobriquet “Le Florentin,” a tribute to his Machiavellian cunning), had been too clever by half. His seduction of the Communist Party ultimately sapped its sinews, leaving a large bloc of voters no longer firmly moored à gauche. Mitterrand had also taken various steps (such as the introduction of proportional representation for the legislative elections of 1986) to ensure that the Front National would emerge as a serious competitor to the “legitimate republican right,” but had failed to foresee that the party of Le Pen would attract some of these now drifting voters (or their children). Alternative parties of the left—Trotskyites and Greens—competed for these votes as well, and after fourteen years of Mitterrandist rule and innumerable scandals, these groups were even less susceptible to the blandishments of power than they had been previously (doubts about the wisdom of becoming “parties of government” had never been extinguished in these quarters, even in the heyday of the Common Program). For these extra-governmental leftists, along with parts of the union movement, defending a French model that the Mitterrand years had undermined became a stock in trade.

As for the Socialists, with the president in decline no single voice could adequately represent the increasingly cacophonous party, once again divided into rival factions openly contending for the post-Mitterrandist succession. Although Lionel Jospin emerged as the dominant figure among the cohort of politico-technocrats with whom Mitterrand had surrounded himself, he had no shortage of rivals. All were experienced in a variety of ministerial and political roles, but none could claim Mitterrand’s mastery of the art of politics. Hence small technocratic reforms took priority over more ambitious transformations. More and more voters came to feel alienated from political life and unrepresented at the national level.

In the wake of Maastricht the issue of whether to embrace or resist integration with the global economy loomed increasingly large. A deep fissure had developed in the Socialist Party. Internationalists—Delors, Rocard, Straus-
Kahn—continued to support the transfer of many economic decision-making powers to the European level, but a distinct left wing of the party became increasingly skeptical of both Europe and reform. In this the Socialist left wing converged with the Gaullist right wing, although the issues were framed in rather different terms. If the goal of the socialist left was to protect the French social model by preserving the economic prerogatives of the French state, on the right it was to preserve French sovereignty and independence, which were seen as threatened not only by rival states but also by multinational corporations.9

Jacques Chirac, head of the Rassemblement pour la République (RPR), the largest party on the right, established his claim to become the right’s presumptive presidential candidate in 1995 after leading his party to an overwhelming victory in the legislative elections of 1993. Meditating on his own experience under Mitterrand, who had persuaded him to become the first “cohabitation” prime minister in 1986 and then defeated him in the presidential election in 1988, Chirac prevailed on Édouard Balladur to accept the prime ministership. On the strength of strong opinion polls Balladur then decided to betray “his friend of thirty years” and challenge Chirac’s claim.10 The unions subsequently staged a series of actions to defend the security system, in protest against Balladur’s efforts to control the budget deficit through tax hikes and benefit reductions. Chirac, ever the political chameleon, entered the presidential arena armed with a new slogan: to “heal the social fracture.”11 He argued that the real “social fracture” was not between workers and employers but rather between insiders and outsiders and promised to reduce it as president. This was in part a ploy to finesse the divisions in his party and bridge the gap between pro-European neoliberals, indifferent, he implied, to the plight of the excluded, and anti-European “sovereignists,” who scornfully dismissed the neoliberal “social Munich” but had nothing to offer insiders that would match the benefits accruing from participation in an increasingly globalized economy.

In effect the presidential election of 1995 endorsed a continuation of Mitterrand’s equivocal economic policies: neither full liberalization and openness nor outright decoupling from Europe and the global economy. After Jacques Delors withdrew from the presidential race, Lionel Jospin easily disposed of the Socialist secretary general Henri Emmanuelli. The Socialist center-left thus gained ascendancy over the party’s left. Chirac defeated Jospin in the second round, drawing votes from his right, which had nowhere else to go, as well as from the center. Chirac was elected with just under 53% of the vote.

Observers believed that Chirac came into office in a position of strength.
He had supplanted a tired Socialist regime, defeated a serious rival in his own camp, and enjoyed a majority of 80% in the National Assembly (as a result of the right’s impressive victory in the legislative elections in 1993). He also controlled the Senate and most regional and departmental councils. Nevertheless Chirac, whose instinct was to err by excess of caution, had to be dragged into reform by his prime minister Alain Juppé, who forcefully pointed out that the problems Balladur had been trying to solve remained as obdurate as ever. In order to meet the requirements imposed by the EMU, Chirac would have to reduce the budget deficit. The problem had indeed grown to serious proportions: between 1990 and 1995 the social security deficit had more than quintupled, doubling as a share of the total deficit. Balladur had attempted to reduce the shortfall through privatizations, but one-time proceeds from the sale of national enterprises could do little to halt the rapid increase in outlays for medical care and retirement benefits. A more drastic overhaul was inevitable.

In short order Juppé had a plan. Its thoroughness, professionalism, and impeccable arithmetic drew wide admiration from intellectuals, editorialists, and much of the political class, including followers of the Socialist Michel Rocard and the CFDT trade union, eager to establish its reformist bona fides as a “modern” union that understood the trade-off between short-term wage restraint and long-term growth. The plan included a provision to require the parliament to vote each year on a social security financing plan (this was incorporated into the Constitution in February 1996). There were other significant innovations as well, such as the Contribution for the Reimbursement of the Social Debt (CRDS), a new tax set at 0.5% of revenue to pay off the accumulated social security deficit; a 1% increase in the Generalized Social Contribution, or CSG (described earlier); a 1.2% increase in health insurance payments by retired and unemployed workers; a one-time tax on the pharmaceutical industry; reduction of maternity benefits; a structural reform of the hospital system; and a host of lesser measures.12

The plan may have been technically seductive, but since it had been elaborated in secret and announced as a fait accompli, it proved politically disastrous. A perceived attack on railway workers, who enjoyed an especially favorable special retirement regime, led to a strike that brought the country to a standstill for several weeks, and many other categories of workers in both the public and private sectors supported the strikers because they felt that their own pensions were threatened.13 Juppé, seriously weakened by the strikes, was forced to withdraw much of his reform program, although he hung onto his job for more than a year.

The social fracture rhetoric that had got Chirac elected thus found little
translation into concrete policy. To be sure, modest health insurance reform was enacted, and “urban development zones” were established in the hope of reducing unemployment in the suburbs. In addition, the Contrat Initiatives Emploi (CIE) did create fifty thousand new jobs, but it cost twelve billion francs. Here was yet another stab at what had come to be called “social treatment of unemployment,” by now a venerable tradition. The unemployment rate did begin to decline slowly, although critics claimed that the official statistics understated the real scope of the problem. By subsidizing entry-level jobs and protecting workers in uncompetitive firms, government policy discouraged long-term hires and the kind of deeper structural reform being tried elsewhere. Firms were encouraged to supply temporary labor needs with subsidized interim workers rather than invest in productivity-enhancing technology.

Chirac’s master counterstroke, in reserve since the election, was to dissolve parliament in the spring of 1997. In his mind this maneuver would relegate his presidency and revive his mandate. The right-wing majority in the National Assembly, in place since 1993, had grown restive, and Chirac hoped that the maneuver would reestablish his control over his own party’s deputies. Polls indicated that although the prime minister was unpopular, so was the left, and Chirac expected a new and reinforced majority to emerge from the early election (the next scheduled parliamentary election was not until 1998). He was wrong. Jospin, the last avatar of the Mitterrandist “Socialo-Communist” coalition scored 43% in the first round of voting, easily outstripping the RPR with 36.5 and the Front National with 15.

Thus Lionel Jospin became prime minister, and for the next five years Chirac would be obliged to “cohabit” with the man he had defeated for the presidency only two years before. Yet this stroke of good luck for the Socialists also inaugurated a period in which they sought to appease the extragovernmental left and their own left wing with policies in which they did not fully believe while at the same time hoping that the expanded European market, which they did not wholeheartedly embrace, would bring sufficient economic improvement to carry them through the next presidential election. It was not an unreasonable hope, because French growth had shown signs of recovery, with new jobs created and unemployment declining. Yet this temporary good news only allowed the party to postpone reconsideration of its core principles.

French Socialists had not been obliged to conquer power by adapting to a political landscape fundamentally reshaped by powerful conservative predecessors like Thatcher or Reagan. Instead they had power handed to them by the blunders of Chirac and Juppé. Once in power, the party therefore
found itself saddled with a program even more incoherent than political programs generally are. The party platform for 1997 included a plank calling for a thirty-five-hour week. Dominique Strauss-Kahn, who had put it there, later said that he would not have done so if he had foreseen that the left might win. Unanticipated victory forced the government to make good on its promise. The chief burden of the change fell on smaller firms, which found the “flexibility” envisioned by the law difficult to achieve. This difficulty durably alienated a segment of the centrist electorate, especially middle managers and small business owners, whose support the Socialists would desperately need in future presidential elections. Some blue-collar workers also resented the loss of overtime opportunities.

The left also enacted the so-called Emploi-Jeunes or Youth Employment Act in 1997, creating a new type of state-subsidized five-year labor contract. The jobs were often with local government or charitable service agencies, and while the intention was to equip otherwise unemployable youths with “employment skills,” again there was no stimulus to subsequent hiring by the private sector. Employment did increase toward the end of the 1990s, raising false hopes that these modest employment measures, together with continuing social security reforms similar to those already undertaken by the right, would soon set things right.

In more Eurocentric Socialist circles, there was considerable hope—and a certain naïveté—about the anticipated benefits from the post-Maastricht European Union. In an interview in 1997, Jean-Pierre Jouyet, Jacques Delors’s chief of staff in Brussels before assuming responsibility for European affairs as a member of Jospin’s staff, envisioned the “political union of Europe through economic harmonization within ten years.” Optimism was buoyant and at first seemed justified, as temporary economic improvement led to Socialist success in the European Parliament elections of 1999, while Nicolas Sarkozy, who led the right-wing slate on a neoliberal platform, was beaten badly. But the incoherence of the left’s program soon began to take its toll. Annual hours worked per capita dropped to one of the lowest levels in the OECD as the thirty-five-hour week took hold, social policy expenses grew, and subsidized low-end jobs weighed on the budget without increasing aggregate demand. The average retirement age fell. Workforce participation declined, especially for youths and seniors. All of this magnified the budget deficit, and when the economy turned downward after 2001, divisions within the left and the PS about the wisdom of “deepening” the European Union were exacerbated.

Jospin’s government also moved on a second social front. In addition to shortening the work week it expanded and reformed medical insurance with
the couverture maladie universelle (CMU, or universal health coverage), which was adopted on 27 July 1999.\textsuperscript{16} The CMU not only expanded coverage but also made supplementary private insurance available to some five million people who could not otherwise afford it.

As the presidential election of 2002 approached, the disaffection from what the French call la classe politique—the established party leaderships of both the left and the right—was glaringly apparent despite extensive reforming since Chirac’s election. In 1995 the abstention rate had been 20\%, the highest in any presidential election in the Fifth Republic, and after seven years of confusion, in which the left and right had “cohabited” to pursue reforms that seemed to mirror one another, a substantial number of voters concluded that it hardly mattered who won. The smaller parties of the left, convinced that the Socialist Party had been taken over by technocrats, saw no particular utility in attempting to achieve unity in the pre-election period, and all contested Jospin’s claim to represent the undivided opposition.

Lionel Jospin, on the other hand, had little taste for the hard-left rhetoric that Socialist leaders habitually mobilized to try to cement a coalition of the left in anticipation of an electoral test of strength with the right. As unemployment continued unabated, immigration and security became major issues. Inflation and stagnant wages (with a compressed wage spectrum owing to a high minimum wage and subsidized entry-level jobs) persuaded many workers that their standard of living was falling because of the EU and globalization. To top it all off, Jospin waged a singularly passionless and lackluster campaign. Disaster followed. Jean-Marie Le Pen narrowly outpolled Jospin in the first round of the election, 16.9\% to 16.2\%. An anti-Le Pen coalition then gave Chirac more than 80\% of the vote in the second round.

The verdict of the polls was harsh but not incomprehensible. The Socialists had demonstrated that they were no worse, and indeed probably better, at managing the market economy than their opponents. They had promised their voters something more, but had been unable to define clearly what this was or whether it aimed at success in the globalized economy or at some vaguely adumbrated “social market” alternative. They were at pains to deny that their approach to globalized capitalism had anything in common with any sort of “third way” compromise. Yet the policy package on offer from the left was similar to that on offer from the right: adjustment of the fiscal system to maintain social spending at a steady level while shifting the burden from payrolls to a broader citizen base; a variety of labor-market activation policies (job search assistance, job retraining, continuing education, benefit reform); and social security reform to take account of demographic changes. This policy convergence reduced the electoral contest to a battle over tech-
nical details: modifications to the legal work week (such as haggling over details of compensatory time, overtime pay, etc.), the precise package of retirement reforms, the mix of broad-based versus payroll taxes.

The left’s policy package satisfied no one. Adherents of the “second left”—mainly university-educated “knowledge workers” whose politics had been forged in the anticolonial and cultural struggles of the 1960s and 1970s—were put off by what they saw as band-aid measures and rhetorical appeasement: subsidized McJobs (such as the Emplois-Jeunes), protectionism, and “economic patriotism” (denunciation of plant closings and investments by “Anglo-Saxon pension funds,” predatory hedge funds, etc.). Workers and militant schoolteachers (who made up the rank and file in more than one Socialist Party federation) preferred the old class-against-class rhetoric and resented the dominance in the party leadership of graduates of elite schools such as Sciences Po and the École Nationale d’Administration (ENA). Much of the policy effort of this elite went into devising strategies to preserve the institutions of the French welfare state through small-scale reforms rather than understanding the profound transformation of the global economy. The idea that competition might require radical restructuring of the production process, quick response to exploit niche markets, and investment in productivity-enhancing high-technology back-office systems was too politically challenging to take on. Despite fitful efforts to revamp universities and promote closer cooperation between academic research and industrial R&D, the deepening fiscal crisis limited what might have been done even if more attention had been devoted to growth-enhancement policies.

From his peculiar if lopsided victory Chirac concluded that he could continue to muddle through, provided that he did nothing energetic enough to upset the applecart. In a conciliatory gesture that confirmed this strategy, he appointed Jean-Pierre Raffarin, a lackluster Giscardian centrist, as prime minister. The one undeniable success of his presidency—eight years after the debacle of the Juppé plan—was a partial overhaul of the retirement system for which his minister of social affairs, François Fillon, working closely with CFDT head François Chérèque, was chiefly responsible. By leaving the so-called special retirement regimes intact, Fillon and Chirac avoided a repetition of the paralysis of 1995, because transport workers remained untouched. In 2003 nature turned against Chirac, as a terrible heat wave led to fifteen hundred deaths, mainly of the elderly. The loss of life was probably compounded by shortages of personnel in hospital emergency rooms, due in part to cutbacks in the medical care budget, as well as by staff management problems that arose after reduction of the workweek.

If Europe and the EMU had been the undoing of Chirac’s first term, it was
again Europe that undid his second. Progress toward a European constitutional treaty, responsibility for which Chirac had assigned to his old nemesis Giscard, led the president, perhaps concerned as much with dividing the left as with the EU, to seek approval in a referendum in May 2005. Once again polls had indicated initially that the referendum course would be safe; majorities of up to 70% were predicted. In the event, however, the referendum went down to defeat by a margin of 55 to 45%. The Socialist Party remained split on the issue, while opposition within the UMP, though not inconsiderable, was tamped down by Nicolas Sarkozy, the erstwhile protégé first of Chirac and then of Balladur, who remained strongly pro-Europe.

Sacrificing Raffarin to atone for this gaffe, Chirac then made his second big blunder, appointing the impetuous Dominique de Villepin, his only remaining confidant and the architect of the ill-fated dissolution of parliament in 1997, to head the government. Villepin, who entertained presidential ambitions for 2007, had hoped to upstage his rival Sarkozy, but events intervened. In late 2005 riots erupted in a suburb of Paris after two youths died while attempting to evade the police. Then early in 2006 Villepin launched a new attack on the unemployment problem by proposing a “first hire contract” to encourage the employment of young workers—yet another half-measure in lieu of a comprehensive reform of labor laws. Students took to the streets in protest, universities were shut down by strikes, and there was sporadic violence. Villepin dug in and refused to withdraw the bill. The episode came to a comic conclusion when Chirac, bafflingly silent throughout the mounting unrest, finally decided to allow the bill to become law while promising at the same time that it would not be “promulgated,” meaning that it would remain a dead letter. This effectively ended his presidency, though he would remain in office for another year, and it reduced Villepin’s presidential aspirations to ashes. Sarkozy remained the only viable candidate on the right.

Meanwhile, the Socialist Party under the leadership of François Hollande had made no progress toward resolving its internal divisions. The center-left had its champion in Dominique Strauss-Kahn; Laurent Fabius, a centrist at heart who had opportunistically become a leader of the “no” camp in the EU constitutional referendum of 2005, proposed himself to lead the party’s left wing. Hollande hoped to paper over the division between left and center-left with a new procedure to designate the presidential candidate, which he hoped would lead to a compromise candidate, perhaps himself. Membership of the party was thus opened up to anyone willing to pay a membership fee of 20 euros, with no obligation to attend meetings, serve the party, or participate in internal debates. All members could then vote in an internal party primary to name the candidate. In preparation there was unprecedented
televised debate among the contenders, whose chances of success against Sarkozy were constantly monitored through opinion polls. Although many long-standing party members preferred one of the so-called éléphants—party stalwarts and courant leaders such as Dominique Strauss-Kahn, Laurent Fabius, or Jack Lang—it was ultimately not Hollande but his longtime companion and mother of his children, Ségolène Royal, who won. President of the Poitou-Charentes region, Royal was popular, telegenic, and well known because of service in Jospin’s government as minister of the environment, among other roles. She routed her opponents, drawing over 60% in the party primary.

Yet Sarkozy, who in 2004 had assumed leadership of the Union pour un Mouvement Populaire (UMP), had a considerable head start, having had time to reshape the party into a support vehicle for his presidential ambitions. Though Sarkozy was a bitter foe of Chirac, the president had been unable to avoid appointing his popular young rival to various ministerial posts, and while at Interior, for example, Sarkozy had used his media skills to put various hot-button issues such as crime, immigration, and religion at the forefront of the political agenda. His strategy was clear: to woo Front National voters by taking a strong line on these divisive social issues while pushing for neoliberal reforms such as reduction of the wealth tax and estate tax, de-taxation of overtime hours and other revisions of the thirty-five-hour week, reform of the special retirement regimes, labor-market activation, and employment contract reform that might appeal to a broad swath of center-right and even center-left voters disappointed with the Socialists’ lack of clarity on economic policy. Although François Bayrou, the independent centrist candidate, made a strong showing in the first round, Royal survived only to be defeated by Sarkozy, who took 53% of the vote.

Sarkozy’s approval rating immediately after the election rose to above 70%, a level scarcely seen in the history of the Fifth Republic, and the stage seemed set for quick enactment of his program. Although he did manage to enact reforms on a wide front with less opposition than might have been expected, by the end of 2007 his popularity had begun to plummet, and by February 2008 it had dropped below that of Chirac after the strikes of 1995. Widespread criticism of Sarkozy’s presidential style and exposure of his turbulent private life contributed to this. With the increasingly unfavorable economic conjuncture in the wake of the American subprime debacle and subsequent global credit squeeze, anxiety about the future of the French social model resurfaced. Sarkozy, like Chirac before him, had been elected not to dismantle the welfare state but to introduce sufficient modifications to preserve it. What had seemed bold in May 2007 seemed a year later not to be enough, while
Sarkozy had apparently lost the ability to persuade his countrymen that confidence and energy alone are enough to overcome all obstacles. Any final judgment on his presidency, however, would be premature.

We began by claiming that the story of the French left since 1970 could best be understood by examining the lasting effects of three factors: persistent division on the left, firm adherence to the “French social model,” and the central role of the presidency. These persistent influences continue to shape the French left today, but their surface manifestations have evolved considerably.

The fundamental cleavage on the left is no longer that which once separated the Socialist Party from the Communist Party. The PCF was never exactly a revolutionary party, despite unstinting support for Soviet interests, but its vocation had never really been to govern either. The Common Program of the 1970s transformed it into a party interested in governing but did not entirely dissipate the conviction of a part of the population (and of the PCF itself) that the best way to protect the interests of the “people of the left” was less to influence government policy than to oppose it. This sentiment, though less powerful than it once was, continues to motivate perhaps 10–15% of voters, who cast their votes for the parties of the extreme left, the extreme right, the Communist rump, and even the Greens, in the hope of demonstrating a disruptive potential sufficient to inhibit governments from pursuing reforms deemed to be aimed at dismantling the French social model.

The Socialist Party itself is divided internally, although the divisions were temporarily damped down by Mitterrand’s leadership and success. Both had worn out by 1995, however, and since that date the PS’s internal cleavages have become more important than those that divide the left more generally. In recent years these divisions have crystallized most visibly around the question of Europe. The referendum of 2005 on the European Constitutional Treaty made it clear that despite a substantial pro-Europe majority within the party, considerable anti-Europe sentiment persisted: 41% of militants wanted the party to oppose the proposed European constitution; 26 of 102 party federations turned out majorities in favor of a “no” vote.

The basis of this opposition is quite different from the negativism of the extra-governmental left. For the latter, which also opposed a strengthened “Europe,” the French state, no matter who controls it, is helpless in the face of Europeanization and global capitalism. True political action can then take only two forms: using the electoral process as a “forum” to give voice to those hurt by neoliberal globalism, and resorting to extra-governmental activity (mobilization on the picket line, on the shop floor, and in the streets). Its aim must be defensive: to protect what remains of the French social model by blocking reform efforts decried as camouflaged destruction. For the left
wing of the Socialist Party, by contrast, the political objective is rather to strengthen the state against supranational and transnational institutions believed to be intent on eroding the French social model. The state is supposed to stand between labor and capital, just as the king once stood (symbolically if not in reality) between the people and the nobility.

All Socialists thus see their part as very much a party of government, one whose raison d’être, unlike that of extra-governmental leftists, is to win elections and exercise power. Their version of the socialist project takes the form of policy prescriptions applicable to things as they are, not things as they might be if the rapport des forces were somehow different. Yet a division remains between those who have deeply internalized the U-turn of 1981–83 as a step in the right direction and those who look back on it as a mistake. The former like to describe themselves as modernizers, and since 1995 they have been touting the need for a “renovated” party. “Modernization” is of course a capacious word, invoked to justify political programs of both right and left since the Franco-Prussian War. In the present context, however, the central claim of center-left modernizers is that the scale of the capitalist system has changed; production, finance, and the supply of labor have all become globalized to a much greater degree since 1970 and especially since the mid-1980s. To maintain social protections, therefore, political and social actors must see the state that they wish to influence as part of a supranational institutional network. The political game therefore becomes multilevel and far more complex than in earlier periods.

The Socialist modernizers thus emphasize the international dimension of policy and especially the constraints imposed on domestic economic policy by France’s implication in a global system. Acceptance of what might be called “center-left” outlooks—the importance of price stability, fiscal self-control, economic flexibility, and the need to innovate constantly—follows from this. Their opponents focus rather on the internal politics of the nation-state. For them the central problem is less to find optimal economic policies than to change the rapport des forces to give greater weight to the preferences of left-wing voters generally rather than those of left policy elites, which are often quite similar to the preferences of right policy elites. In sum, the left is now effectively tripartite: the extra-governmental left opposes both (statist) nationalists and (internationalist) modernizers. All three factions invoke preservation of the French social model, our second persistent influence, as the primary objective of politics. The problem is that their definitions of the core of the social model vary. In addition, each faction of the left believes that the others’ preferred means of achieving the common goal will lead to disaster in the future as it has done in the past.

To win big elections, especially the all-important presidency, some kind
of political unity must be engineered out of division. Although the elements have changed, unity is no easier to achieve now than it was in the 1970s (table 1). Socialist modernizers have to conciliate nationalists and seduce extra-governmental parties and movements to have a chance of winning. Lionel Jospin refused to do this in 2002, instead campaigning as if only the second round runoff counted, and he failed disastrously. It is very likely that when modernizers do try to broaden their political base they will end up being bound to programmatic concessions and promises that they will have difficulty redeeming without sacrificing “modernizing” realism.

This reconfiguration of the left political contest parallels underlying economic and social changes. With the relative decline of heavy industry and mass production, the old armies of blue-clad factory workers have diminished in size and militancy. The unionization rate in France has fallen to the lowest level in Europe (7%). The workforce has become increasingly differentiated and better educated. Service and support workers outnumber skilled and semiskilled industrial workers. The patron of old—be he paternalistic guardian or Zolaesque taskmaster—is now buffered by squadrons of well-educated cadres versed in the techniques of human resource management. Older images of social conflict have partly given way to new images. Yet the older images sometimes resurface in misleading ways, as in the demonstrations against the first hire contract in 2006.

Again, the centrality of the presidency—and of Mitterrand’s strategy for winning it, the only successful left strategy to date—cannot be ignored. The triumphant Common Program sustained an unnatural hybrid of a workers’ party with a clientelist party built on the representation of a variety of local

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interests (including workers’ interests) and competition among internal factions and grouplets. Neither party to the coalition had a clear agenda for national rule or a deep comprehension of the priorities that would need to be addressed after capturing the presidency. Mitterrand therefore called upon a cohort of technocrats to fill key positions in the government and administration. These people, creatures of Mitterrand and entirely beholden to him for their political careers, have dominated the party in the first decade of the twenty-first century: witness the contest to become the presidential candidate in 2007, which pitted Ségolène Royal against Dominique Strauss-Kahn and Laurent Fabius—all three énarques (graduates of ENA), all three former ministers, all three deeply imbued with a top-down, presidentialist vision of the political process.

Presidentialism has created a problem of credibility for the Socialists as the society has changed under them. A presidential campaign, if it is not to sink beneath a welter of tedious prescriptions for improvement tous azimuts, must articulate a clear and comprehensible transformative vision. For Mitterrand it was enough to give voice to the democratic desire for alternance. By 1981 voters who had never recognized themselves in Gaullism could be satisfied with the prospect of wielding power for the first time. But in the nearly thirty years since the Socialists’ U-turn of 1983, the Socialists have become an established party of government. Like their opponents on the right they have pursued piecemeal reforms designed to shore up the welfare state, some of which have actually helped France face the future. Yet unlike the right, they have not been able to articulate a new transformative message to embellish their skillful technocratic management.

The center-left core of the Socialist Party has been struggling since 1995 to define what a “modernized and renovated” socialist program should look like. The result has been to cement old divisions and heighten mutual suspicion among party factions, albeit with new faces to represent them. In keeping with the training, predilections, and government experience of its key leaders, the center-left has emphasized the need for economic reform to maintain (insofar as possible) the productivity and competitiveness on which the welfare state depends. In many respects the reforms that it advocates resemble those favored by the center-right. The center-left’s appeal to the median voter thus relies on trust: we advocate reforms similar to those proposed by the center-right, but we promise you a more favorable distribution of the expected fruits of growth. It is a vision predicated on centralized power, benevolent expertise, and a not-too-restive base. By contrast, the Socialist left wing is more responsive to the fears of its base that economic reforms represent a camouflaged attack on hard-won popular victories of the past. The
quarrel is really over what constitutes the core of the French social model. Is it basically a bargain over the distribution of gains from economic growth, in which case the maintenance of growth is crucial? Or is it rather comparable to a military campaign, in which social gains are objectives which, once seized, must be held at all cost, to limit the strategic options of “the enemy?” To counter the institutional power of “the economists,” the left wing advocates institutional change that would shift power away from the central administration and toward parliament, regions, and cities. Decentralization, it is hoped, will both multiply the range of voices in governing councils and definitively alter the priorities of policymaking.

The presidential candidacy of Ségolène Royal in 2007 can be viewed as an attempt to bridge these gaps. Some of her key advisors were from the Socialist left, and the candidate’s emphasis on “citizen juries” and elimination of the *cumul des mandats* (holding of multiple offices) directly translated some of the left’s platform planks for institutional reform. Yet she also signaled a readiness to accommodate the “economists” of the center-left by associating herself with Blairism, a conveniently vague portmanteau word standing for “Anglo-Saxon neoliberalism with a human face.” More substantively, she signaled flexibility on reform of the thirty-five-hour week, labor contracts, and retirement benefits. Like others before it, this attempted reconciliation foun- dered on incomprehension and lack of trust. In this case, though, it was not the rank and file that feared betrayal by elite economists; it was rather the economists who feared that Royal, having spent her career without passing by way of the central posts of economic policymaking, could not be trusted to execute or even understand the nature of the necessary economic reforms.

Hostility to Royal was again evident in the selection of a new leader of the Socialist Party. The process of “renovation” launched immediately after the party’s failure to capture the presidency in 2007 proved to be a muddled affair that ended in stalemate. Three challenges to Royal emerged from the center of the party, one led by Mayor Bertrand Delanoë of Paris, another by Pierre Moscovici, widely seen as a stalking horse for Dominique Strauss-Kahn, and a third by the mayor of Lille, Martine Aubry. A fourth challenge came from the left wing of the party, led by Benoît Hamon. Ultimately the three centrist factions united behind Aubry. In a first round Hamon took nearly 20% of the votes. In the runoff Aubry and Royal split the party down the middle. Aubry won with a plurality of 102 votes out of nearly 175,000 cast, but her victorious coalition was united by only one thing: hostility to Royal.

And there, for the time being, the French left remains stuck: divided into mutually suspicious factions, none capable by itself of putting forward the kind of comprehensible and comprehensive recipe for transformation that
is needed to capture the presidency. The impasse is unlikely to be resolved by internal debate, which for twenty years has been largely a dialogue of the deaf. More likely it will take an external shock to push the factions together, or else to tear the left apart once and for all, as has begun to happen in a number of other EU countries (for example by the appearance of die Linke to the left of the German SPD). There might conceivably be a recomposition of the center, in which center-right and center-left join forces against radicalized extremes. But the presidentialist regime—our third persistent structural influence—tends to make this prospect unlikely.

Notes

The authors would like to thank James Cronin, Michael Löwy, and James Shoch for perceptive comments on an earlier draft.

1. See Fourastié 1979; Eichengreen 2007, 100.
2. This pattern of divisions also existed in trade union and mass organizational spheres.
8. Becker 1998, part II, chapter 2. RMI was a means-tested guaranteed minimum “citizen’s income,” administered departmentally and tied to commitments to seek “insertion”—usually meaning training or work, a compromise between a guaranteed minimum income and “welfare to work.”
9. Philippe Séguin and Charles Pasqua were the principal leaders of the Gaullist nationalists.
10. Chirac sought advice in a group named Phares et Balises, which was organized by the dissident Mitterrandist Régis Debray and the journalist Jean-Claude Guillebaud.
13. The CFDT leadership’s reluctance to endorse this popular uprising led eventually to the defection of a substantial portion of its membership, which joined the dissident union SUD.