

France Falls into Line with the Transnational Elite*

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France's tradition of strong economic statism, combined with the French elite's ambition to play a relatively independent role vis-à-vis the hegemonic Anglo-Saxon core within the transnational elite, has created a myth, constantly echoed by the international reformist Left. According to this myth, France could play a 'progressive' role within the New World Order, which could supposedly lead the EU-based progressive part of the transnational elite to adopt alternative economic and political strategies to the catastrophic ones adopted by the American and British elites.

At the economic level, the "French model", which was based on a kind (brand) of state-managed market economy that was run by an administrative and political elite, was indeed successful throughout the era of statist modernity, until about the middle of the 1970s^[1]. Its main characteristic was the imposition of relatively high taxes on the privileged social groups which, in turn, were used to finance the relatively high social spending. Of course, this was not specifically a French phenomenon, as the situation was the same in all social democratic countries at the time, from Britain and Germany to Scandinavia. However, after the flourishing of neoliberal globalisation, in the last quarter of a century or so, which imposed an initially informal and later institutionalised opening and liberalisation of markets, the elites in these countries adjusted their economies to the new conditions, mostly through the old social democratic parties which, in the meantime, have converted themselves into social-liberal ones. Yet this did not happen in France, mainly because of the strong popular resistance to neoliberalism that was expressed, for example, by the "non" vote regarding the Euro constitution^[2], the 'revolt in the banlieues'^[3] and, lately, the student struggle.^[4]

So, one by one, the main European elites – the latest example being the German one – have drastically been restricting the economic role of the state, through massive privatisations, tax cuts (mainly benefiting the privileged social groups) and the corresponding axing of the welfare state – the only partial exception being the Swedish elite, which has managed to maintain a significant part of the welfare state by shifting the relevant tax burden from the higher income groups (whose taxes have been greatly reduced) to the middle class. On the other hand, the French elite, despite the systematic efforts to this effect by socialist leaders like Mitterrand and Jospin (between 1997 and 2002 the latter's leftwing government managed, alone, to carry out more privatisations than all the previous conservative governments had done!),^[5] has succeeded neither in reducing the economic role of the state sector effectively, nor in imposing flexible labour relations on the private sector. The great burden of social security, for instance, falls on employers, with French companies, irrespective of size, paying the equivalent of 42.3 per cent in tax on top of each salary -

compared with 10.5 per cent in Britain.^[6] No wonder that the British "employment rate" (adults in work) is 72 per cent versus France's 58 per cent, with France, according to the OECD, working 617 hours per inhabitant per year, compared to 796 hours in Denmark, 800 in Britain and 865 in the US. Consequently, French unemployment – and particularly youth unemployment, which stands at around 22% – has been one of the highest in the EU during the last 25 years. The resulting burden on the budget is obvious. Close to half the electorate is dependent on the state for wages, benefits or pensions and the public debt has soared, because of this, to 66% of gross domestic product. On the other hand, the introduction of flexible labour relations in Germany, by Schroeder and then Merkel, has led to an effective freezing of real wages in that country over the past six years, pushing the share of workers' pay as a proportion of national income to its lowest for four decades-- and the share of profits to its highest!^[7]

Therefore, the arguments that the British, social-liberals use to justify their model's superiority are, in fact, flawed, i.e., the argument that formal unemployment is much lower in Britain than it is in France and that, whereas in 1979 per capita income was 20 percent higher in France, today it is 5 percent higher in Britain. And they are flawed not only because the apparent growth in employment disguises a significant rise in low-paid work and forced part-time, or occasional, employment,^[8] but also because it ignores the fact that inequality has increased dramatically in both the US^[9] and the UK over the past quarter of a century or so. This has occurred in addition to the serious undermining of social services covering basic needs like education, healthcare, pensions, transport, etc. The "solution" given to this problem within the neoliberal globalisation process is the significant expansion of a part of the middle class which financially benefits from this process and which –no longer depending on social services– has turned to the private cover of such needs. However, the social price being paid within this process is clearly too high: lower social groups, as well as a section of the middle class, either do not benefit at all from it or, more often, they see their social and economic position deteriorating significantly. It is not, therefore, surprising that Sarkozy, the favourite of the transnational elite and the international mass media, was supported particularly by all those social groups which would be less adversely affected by the planned change in the French socio-economic model, like private-sector employees, small-time businesspeople, professionals, farmers, pensioners and the managerial classes, and that he won an absolute landslide –82 per cent– among shop-keepers and small-time trades people. Also, as most analysts suggest, the fact that a large number of blue-collar workers and low-income pensioners voted for Sarkozy had much more to do with his adoption of the racist and nationalist slogans of Le Pen's extreme right (some of which were also opportunistically adopted by the socialist candidate Royal), than with his economic programme! In other words, it was such slogans -- particularly those relating to immigration and law and order, misleadingly answering the workers' concerns about neoliberal globalisation-- which attracted their vote.

All this does not, of course, mean that the French elite under Sarkozy will adopt a pure, "Anglo-Saxon" model: neither would the French people allow such a development, nor would it be necessary anyway. The option which the French elite seems most likely to adopt –since it would cover its own needs, those of a significant part of the middle class and, of course, those of the transnational elite– is the kind of 'middle-road' option adopted by the German elite. This would involve implementing the main policies imposed by neoliberal globalisation in order to improve the elite's competitiveness (flexible labour relations, cuts in social benefits and numbers of civil servants, etc.) without resorting to the extremes of

the Anglo-Saxon model.

Finally, at the political level, if the planned changes (which would further bring the French elite into line with the transnational elites) are materialised, they will essentially put an end to the myth of France's supposedly 'independent' role. Sarkozy has already declared his intention to "restore the balance" in favour of Zionist Israel (no wonder Shimon Peres now celebrates the victory of 'a very good friend of Israel'), while he does not rule out his future approval of unilateral sanctions outside the UN. In his victory speech, Sarkozy said: "France will always be by the US's side ... you can count on our friendship." This could explain why Sarkozy has never minded being called "Sarkozy the American", - an insult in France – and why he chose to admit it to an audience of American-Zionist leaders, of all people, in New York in 2004!^[10]

In conclusion, it is obvious that the form that the "French model" will take in the future will very much depend on the outcome of the social struggles and conflicts which are coming...

* The above text is based on an article which was first published in the fortnightly column of Takis Fotopoulos in the mass circulation Athens daily *Eleftherotypia* on 12/5/2007

[1] See T. Fotopoulos, *The Multidimensional Crisis and Inclusive Democracy*, *IJID*, Special Issue August 2005, ch 2,

[2] See "[And now France: Neoliberal globalisation again under attack](#)", *The International Journal of INCLUSIVE DEMOCRACY* Vol. 1, No. 4 (July 2005).

[3] see "[The European Left and the myth of the European social model](#)", *The International Journal of INCLUSIVE DEMOCRACY* Vol. 2, No. 4 (November 2006).

[4] see "[France: The revolt of the victims of neoliberal globalization](#)", *The International Journal of INCLUSIVE DEMOCRACY* Vol. 2, No. 4 (November 2006).

[5] see Philippe Marlière, "Do not be fooled by Sarkozy: France's soul is still leftwing", *The Guardian* (24/4/2007).

[6] John Lichfield, "France: A nation in crisis?", *The Independent* (14/4/2007).

[7] Ashley Seager, "Les misérables: France's unhappy position", *The Guardian* (7/5/2007).

[8] see *The Multidimensional Crisis and Inclusive Democracy*, chs. 3, 6, 9.

[9] see e.g. Jonathan Freedland, "Don't be fooled by Europe's mood. Globally, the left is reawakening", *The Guardian* (9/5/2007).

[10] Anne Penketh, "Foreign priority will be to improve relations with US", *The Independent* (7/5/2007).