

## Non-victory in France's Maastricht referendum

by Christine Bierre and Volker Hassmann

If the Danish "no" to Maastricht last spring was the first in-depth attack against the treaty to create a single European market and a unified currency, ironically, the tiny French "yes"—51.05% for; 48.95% against—will likely signal the end of the treaty, at least in its present form.

The thin margin of victory of the "yes" in France's Sept. 20 referendum was about the worst option for the pro-Maastricht forces. Had the referendum passed by a wide margin, its backers all over Europe would have cried victory and proceeded to rapid implementation of the treaty. Had the French voted a resolute "no" to Maastricht, like Denmark before, but even more so because of the long history of French patriotism, France would have been accused of being backward and chauvinist; all subsequent evils in the financial monetary scene would have been blamed on her and on those who organized the defeat.

The slim "yes" vote is the option of greatest instability: nearly 49% for "no," in a situation where the entire political establishment—left and right—campaigns vigorously for "yes," is a slap in the face of the elites of France and a major protest vote; moreover, the 2% margin of victory does not give the "yes" party the maneuvering room needed to implement the treaty.

The consequences of this no-win result are incalculable, domestically as well as for the rest of Europe. At home, it is a warning from French blue and white collar workers, farmers, and jobless, to the political elites that they must solve the desperate economic crisis. Elsewhere, the French results can only reinforce those in Germany and in Britain who are already quite skeptical about the treaty.

### Domestic repercussions

The results of the referendum entirely justify the decision of a few hundred "Rural Coordination" farmers to "occupy"

in mid-September, the Jeu de Paume building in the Tuileries Garden in Paris, where the Declaration of the Rights of Man was adopted two centuries ago.

An analysis of the voting results reveals the impact of the economic crisis which hit France as a result of the Socialist Party's free market turn in 1983. It was mainly producers—farmers, workers, artisans—who voted a resounding no to Maastricht, while the yes vote came from the upper classes and professionals. Some 62% of farmers voted no—with peaks of 70% on average among agricultural workers (farmers who do not own their land). Sixty percent of blue collar workers, in those areas hit hardest by the economic crisis, voted against. Among artisans, small businessmen, and white collar workers, the no rates reached 52-53%. Who voted yes? Large company heads and businessmen (65%), liberal professionals (66%), as well as engineers, scientists, and professors (60 to 70%).

In terms of the departments—the regional political units into which the nation is organized—the French voted no. In 53 out of 96 departments of metropolitan France (not including French territories abroad), the voters rejected the treaty. Following the pattern outlined above, the departments which voted no are the rural ones, or those where the collapse of the steel industry (northern France) and shipyards (Mediterranean and Atlantic coasts) has created mass unemployment. All of the departments which voted against the treaty, except one, have an average 12% unemployment, while the national average is 9%. All of the poor suburbs where riots have occurred over the last couple of years voted no.

The vote defied classic party lines. The map of the referendum results indicates that it was the very departments that voted *against* the treaty, which in 1981 and later, had elected François Mitterrand, Maastricht's top salesman, as President. Conversely, those who voted "yes" are the traditional

bastions of the right wing! Without the support of former Prime Minister Jacques Chirac, the chief "right-wing" political rival to Mitterrand, which swung the Paris vote 62% in Maastricht's favor, without the support of the right-wing mayor of Lyons, and of mayors of other cities, the Maastricht Treaty would have been defeated. The only real cleavage that emerged in the election was a France divided between the poor and unemployed, and those who are either wealthy or who still manage to survive despite the crisis.

Mitterrand's Socialist Party, badly weakened in its strongholds, will try to seek new alliances with the Greens or center-right forces in order to survive the next elections. The right-wing parties are in shambles as well. Jacques Chirac, head of the "neo-Gaullist" RPR, who campaigned for the treaty, will have to explain to his base why he gave this victory to Mitterrand, the most discredited President the Fifth Republic has had. Charles Pasqua and Philippe Séguin, the RPR's leaders of the no, have already organized more than 50 deputies and senators to boycott a leadership meeting called by Chirac to get a confidence vote for himself. In ex-President Valéry Giscard's party, some 40% voted against Maastricht, and Giscard, an oligarchical lord, did not even convince his home department, the Auvergne, to vote "yes."

The only real winners of this referendum are the people who are fighting austerity and a corrupt national leadership. The referendum was "a total success" for Rural Coordination, "which was able to mobilize thousands of persons through a dynamic and often original campaign, to vote for the no," they state in a press communiqué, which also calls for European farmers to support the fight for a "great debt moratorium on farm debt." The vote will no doubt encourage all those who are discontent, to pursue the fight. Many conflicts cropped up in the weeks prior to the referendum: transport strikes, joint demonstrations of farmers, artists, nurses, and taxi drivers. As we write this article, half of France's prison guards are striking for better security and working conditions in the overcrowded prisons.

### European repercussions

The tiny French "yes" has created as much of a shockwave as the Danish "no," because it confirmed that at least half of the Europeans are resolutely against a monetarist reorganization that takes away national sovereignty and provides for no real economic development. The first to recognize the no-win situation were, of course, the stock exchange and money market speculators. At 7:30 p.m., as British traders leaked the news of a 52% victory for the treaty, trading activity soared. But as the margin became smaller and smaller, narrowing to some 500,000 votes, trading came again to a halt.

While the partisans of the treaty had announced that the stock exchange would boom if Maastricht won, not only was there no "boom," but the stock exchange lost 2 points the day after the "victory." In a matter of days, massive speculation

broke out against the franc, with the Bundesbank and the French central bank having to spend billions of deutschemarks to defend the franc Sept. 23 and 24. The markets were full of rumors of an upcoming slight revaluation of both the deutschemark and the franc relative to all other currencies, which implied a small devaluation of the franc. Meanwhile, interest rates in France, which the finance minister had promised to lower in case of a "yes" vote, were pushed up to 11%.

German Chancellor Helmut Kohl's meeting with Mitterrand in France on Sept. 23, was obviously the occasion to try to "readjust" the treaty to the popular will, at least on paper. Not much filtered out of this meeting, but it appears already that major negotiations on the treaty will take place at the European Community (EC) summit called by John Major in Britain for Oct. 12. While both Kohl and Mitterrand are declaring that no "renegotiation" is possible, Kohl indicated to a newspaper that rearrangements of the treaty could be worked out, meaning, less power to the European Commission in Brussels. Among those areas in which "redefinitions of the treaty" are being discussed are: the principle of "subsidiarity" (defining which are the domains of the EC as opposed to those of the nation-states); a greater democracy in the EC institutions; and a social policy addendum to the Maastricht Treaty.

For many observers, the small French "yes" was the kiss of death to the treaty. Some of the comments of the British press in the aftermath of the vote are quite telling. For the *Independent*: The close results of the referendum do not guarantee the survival of the Treaty; saving it will take time and the results are uncertain. The *Financial Times*: The treaty, in the form it was signed last February, is certainly condemned. Even European Commission head Jacques Delors, stated that "the Maastricht Treaty is only a framework."

Even if the European governments, especially Bonn and Paris, embark on intensive damage-control measures, Maastricht is an irreparable wreck. Neither the EC emergency summit, the Franco-German mini-summit, new treaty negotiations, nor a new referendum in Denmark, will change this. But there is no reason for rejoicing. The instinctive reaction of governments and central banks to the growing friction in European currency markets means draconian austerity policies, which will worsen the economic crisis in Europe. The paradox is that the purely monetarist-motivated Maastricht outlook already determines economic thinking at the top, even though the agreement itself is kaput.

Italy's Amato government has decreed the cruelest austerity program of the past 20 years, a deficit reduction scheme in which half of the savings are to be gouged from public spending, and half from higher taxes. Sweden has announced a gigantic austerity plan where the axe will fall above all on social programs. England and Germany face equally harsh "stabilization" plans: horse-remedies that will only make the economy sicker, as long as authorities cling to a monetary system that cannot be saved.