

Jospin's economic policy: The road to Hell is paved with good intentions

by Christine Bierre

“Tragic” is the best word to characterize the dilemma of the Lionel Jospin government in France. How can the best intentions lead a reformist government, in a time of crisis, to serve the interests of the most rotten of the financial oligarchies? How can people like Lionel Jospin and Martine Aubry, his labor minister, distance themselves from Britain's left-wing version of Margaret Thatcher—Tony Blair—for many of the right reasons, but end up, because of incompetence and lack of courage, implementing a policy which is not much better? How is it possible that a government truly committed to a certain idea of the citizen and the Republic, notably in the domain of education, agrees to coexist with the financial markets and a Maastricht Treaty which dehumanizes the individual and allows the law of the jungle to prevail?

The economic measures announced by Jospin at the end of August, point to all the ambiguities of the policies of a man who, at the Socialist Party summer school in La Rochelle, described himself as being neither a revolutionary nor a conservative, but a “left-wing realist.” The new leaders are applying their talents to a rigorous management program, adopting measures from left and right, some good, some bad, but all in the context of a withering economic order, already condemned to one of the worst financial crashes in history.

Concerning the European Union's Maastricht Treaty, Jospin has clearly moved to fully accept it and its austerity conditionalities. (As *EIR* reported in our July 4 issue, Jospin's first address to the National Assembly on June 18, and other statements made by him after his election as prime minister on June 1, suggested that he might wage a principled fight against Maastricht; this did not occur.) The summit between Jospin and German Chancellor Helmut Kohl, in Germany at the end of August, marked a reconciliation of the two political leaders, who committed themselves to go ahead with the present schedule for implementing Maastricht's currency union. French Finance Minister Dominique Strauss Kahn bragged that France will, by next year, have reduced its budget deficit to the 3.0% required by the Maastricht Treaty, and it could even reach 2.9%! When questioned by journalists concerning feelers put out by Italy and Spain to postpone the Maastricht deadline, Pierre Moscovici, the Secretary of State for European Affairs who had previously expressed hostility to Maastricht, rejected any postponement and promptly defended the

present schedule. The euphoria in Paris about the 2.9% deficit is due to the fact that a small upswing has been detected, due to an improvement of exports, since the dollar has appreciated against the franc. The French government is now convinced, and relieved, that it can pursue the Maastricht line without adopting any further austerity measures.

Unemployment policy

The government has also set forth a series of measures aimed at dealing with the unemployment problem. These measures will, in the medium run, contribute to further “flexibility” being imposed on the labor force. Labor Minister Aubry announced the creation of 350,000 jobs for unemployed people under 26 years of age. These are five-year jobs, to be financed by the state up to 80%, the rest being paid by the future employers, namely business associations and regional authorities. The jobs are not renewable at the end of their term, which leaves the problem of unemployment entirely unsolved.

Even worse is the fact that there is not one single productive job being offered! At a moment when the world economy is in crisis and the need for real production has never been so great, the French government of civil servants has managed to produce a totally bureaucratic jobs policy. Aubry has discovered massive needs for “mediators” which, she is persuaded, represent real careers for youth, as opposed to make-work projects. These are jobs for mediators to help children at school, mediators to help youth in the cities, mediators to help the aged in old folks' homes, mediators to help reintegrate sick people just out of the hospital, mediators to clean up the common areas of buildings and in cities, mediators to help reintegrate former criminals, etc. All these mediators will be employed in the context of projects being carried out by the national administrations: the ministries of education, environment, social affairs, justice, culture, and interior.

This policy has been condemned by several trade unions, which denounced the fact that it will lead to the creation of second-tier civil service jobs—i.e., civil service jobs paid at minimum wage and which are not for life. A sharper criticism came from Marion Maika, a young student who wrote to the daily *Libération* to say that she did not want Aubry's “false jobs”: “The majority of those ‘new careers,’ such as those of



French Prime Minister Lionel Jospin describes himself as a “left-wing realist.”

‘environment agent’ and ‘agent for garbage triage,’ are aimed at compensating for the disagreeable effects of the crisis (violence, insecurity, abandoning of old people, degradation of the environment), by putting some soothing balm in the cogs that are blocking everywhere, without touching the deeper mechanisms of society.” Those jobs do not offer any “long-term training,” wrote Maika, concluding that during the five years of their employment, “the majority of the youth employed by Aubry will become more stupid, by being forced to hold second-rate jobs.”

The state and the market economy

Of particular concern, is that Jospin and his government have come under the influence of “third way” economists such as Viviane Forrester in France or Jeremy Rifkin in the United States. Forrester is the author of a book which last year sold more than 300,000 copies, entitled *The Economic Horror*, whose thesis is that the unemployment problem is due merely to imbalances created by Information Age technologies, and not to a deeper financial or an economic crisis. These imbalances, according to Forrester, can be solved by finding unmet “needs” in the social sector to “occupy” those who have lost their jobs.

Indeed, at the La Rochelle summer school, both Strauss Kahn and Lionel Jospin called for a “third way” between the market economy and “statism.” “For us, the market is not the

replacement for the social contract: This is why we will never be [free-market] liberals. For us, the state’s job is not to regiment or put a corset on the economy; this is why we are no longer dirigists or statist,” stated Jospin at La Rochelle. But such a “third way” cannot succeed in reality, because it doesn’t reject the worst of either of those two options: The markets are allowed to keep control of the economy, while the state continues to “dirigistically” pour money into the economy to create unproductive “social jobs,” destined to lessen the abuses against the population, caused by the markets. In such a third way, the state becomes the “lady-do-rightly” of the free-market looting system, the ambulance dispatched to help all those marginalized by the free-market system.

All is not lost

In spite of its shortcomings, all is not lost with this government. Although Jospin reversed his campaign promises by deciding to pursue former Prime Minister Alain Juppé’s partial privatization of France Telecom, the national communications company, Jospin also reversed Juppé’s decision to privatize Air France; the company’s capital will only be opened up to 38%.

Also, in spite of the fact that the new jobs created will be useless for relaunching the economy, the concerns leading to the creation of those jobs are real. Claude Allègre and Segolène Royal, education minister and secretary of state of the school system, respectively, announced that 75,000 youth will be employed as “school aides” especially in rural or socially difficult areas. Their job will be to assist students with reading (1 out of 10 students in secondary school today does not know how to read properly), catching up in general, dealing with school violence, helping with sports, and developing choral work, in order to improve the children’s ability to work together.

A number of other interesting measures are being taken in the education field, with the aim of ensuring a high quality public school education for all: A fund of 290 million francs was created to help poor families finance school lunches; school benefits for parents were raised to 1,600 francs per year for books and other school expenditures; and, out of 1,200 jobs eliminated by the former administration for cost-cutting reasons, 800 were reinstated in rural and poor areas. Finally, Allègre gave full civil servant status to 28,000 school assistants who should had been integrated by previous governments.

The *punctum saliens*, the moment at which crucial decisions determining the life or death of a society must be taken, has not yet been reached. Lionel Jospin has not yet chosen between “left-wing realism” and “market realism.” It would certainly be tragic, however, if a government whose honesty and republican intentions can hardly be questioned, were to go down in history as having served the same interests as Tony Blair and Alain Juppé?