

# French Socialist Party: The Common Good as the State's Responsibility

by Elizabeth Hellenbroich

On July 18, a remarkable document appeared in the French daily *Libération* under the title "La nouvelle donne," or "The New Round." The document is a discussion paper prepared for the upcoming party convention of the French Socialist Party (PSF) in Grenoble. In view of the growing gap between rich and poor, according to the core thesis of the document, the task is to define anew the role of the state as the guarantor of the "common good" and protector of the poor.

Among other signators to the paper, there are five cabinet ministers of Prime Minister Lionel Jospin's government: Minister for Labor and Social Affairs Martine Aubry (daughter of former European Commission President Jacques Delors); Agriculture Minister Jean Glavany; Minister for European Affairs Pierre Moscovici; Defense Minister Alain Richard; and Justice Minister Elisabeth Guigou. Additional signators include the president of the French Parliament, Raymond Forni; former Finance Minister Dominique Strauss-Kahn; Daniel Vallant, who is responsible for relations with the parliament; and Marc Ayrault, chairman of the Socialist Party parliamentary group in the National Assembly.

Prime Minister Jospin had presented a similar, but more pointed document in November of last year, for discussion at the Nov. 8 conference of the Socialist International in Paris. That document was given prominent coverage at the time in the French press, and it was discussed in detail in the British daily the *Guardian*.

## A Rejection of Blair's 'Third Way'

In his discussion paper, Jospin countered the policy of British Prime Minister Tony Blair's "Third Way" and neo-liberal, free trade *laissez-faire*, with a concept of "voluntarism." The French state, deeply rooted in the tradition of Jean Baptiste Colbert, understands itself as the guarantor of the "common good," Jospin wrote. The notion of "*Etat providence*," he noted, has little in common with the British notion of "welfare." "*Etat providence*" traces back to a concept in which the state "makes special efforts to remove such differences in the distribution of income as are entailed

in social disadvantages in the areas of health care, housing, and education."

From a global strategic standpoint, the new document represents a sharp rejection of Blair's defunct policy of the "Third Way." At the same time, it is a rejection of the *laissez-faire* policies of U.S. Presidential pre-candidates Al Gore and George W. Bush.

The policy of globalization, deregulation, and curtailment of social services, which these politicians tout so much, and to which German politicians accord far too much acclaim, has led to a sharply demarcated two-class society in the United States, in which the richer get richer and the poor become poorer. Twenty percent of the American population, among them 7.9 million millionaires, account for more than two-thirds of total income, while the remaining 80% of the population has to be satisfied with whatever is left over.

"The New Round" asserts the following basic thesis: In view of new challenges and the growing gap between rich and poor, the "state" and "public services" must emerge as the "guarantors of the common good." It is the responsibility of the state to counter the laws of a free and unregulated market, which is oriented to short-term and speculative profit (which, in the process of globalization, leads to a situation in which some companies have more power than elected governments), and to protect the socially disadvantaged layers of the population. The state has to create the economic preconditions for the maximum possible development of the individual in the state.

In line with the proposal made by French Finance Minister Laurent Fabius on June 28 in the French Parliament, to introduce a "Tobin tax" on international financial transactions, the signators of the discussion paper demand that speculative capital flows and transactions be taxed in Europe as well as at the international level.

## Free Market Accorded Too Much Weight

The cause of the growing gap between rich and poor, as the document states, is the fact that too much weight is accorded to the free market. "In no case can the market be

considered as the whole of the economy. It favors short-term profits . . . and engenders inequalities in the areas of health care, housing, and education, as well as other areas,” the statement says. In a society totally oriented to the market, the principle of the “right of the strongest,” i.e., survival of the fittest, is imposed on society, and the principle of solidarity is negated. “This is why we believe that the role of the state is fundamental. . . . It is not solely the role of the state to regulate or animate. It must assume its fundamental mission: to guarantee equality of opportunities of general interests, of social cohesion, of new securities and new rights. The state and the public services are producers of social cohesion and create a favorable environment for economic development. It is indispensable that the state offer services in certain sectors which cannot be subjugated to the rules of the market.” All citizens must have equal access to these services.

The signators demand a “political contract,” “which directs attention primarily to the needs of the general population. We do not forget that the gap between lower and higher income is steadily growing. It is up to us to bring about a balance into this development.”

As the document further says: “We have to take up the struggle against social disadvantage. . . . While for many growth means prosperity, the impatience of those is growing, who have the feeling of being closed off from these advantages.”

Support for the socially disadvantaged cannot be let up on, and such support belongs among the political priorities of the PSF.

## Curb Speculation

In the view of the authors, measures must especially be taken against speculation: “The new economic situation makes improved control of financial capital flows necessary, the consequences of which will be a more just distribution of wealth. . . . For that reason, we must aim at the European and international level to quickly effect the taxation of financial transactions.”

While many areas of society need to be reformed in the future, and society has to react appropriately to new technological challenges, the universal values of the Republic have to be defended and be situated at the center of “general interests.” Among these are the protection of the family, adequate education and health care, as well as rejection of racial and social discrimination. The document closes with the remark that this economic political orientation proposed for France cannot take effect in France alone. “The new epoch of capitalism has generated new economic and financial inequalities internationally. . . . Europe cannot become a fortress, rather it should become the springboard from which to limit the perverse effects of globalization and to assure regulation of the market for lasting economic development.”

# Free Traders Losing Friends in the East

by Rainer Apel

One of the most unpopular things for eastern or southeastern European politicians to do these days, is to endorse the policies of Western monetarists. The profound failure of the European Union (EU) to deliver on any of its numerous promises of real economic and financial assistance, and to transfer substantial state funds and private investments into the industry of the East, has done a lot to discredit the “friends of the West” in eastern Europe and in the Balkans in recent months. And many who are being discredited these days, have been longtime loyal friends of the West. In turn, national leaders are letting it be known that they will no longer accept the destruction of their economies by the fanatical backers of the “free market.”

Especially in southeastern Europe, signs that Western recommendations for free-market “reforms” are no longer welcome, can no longer be overlooked. For example, big political turbulence was caused by Hungary’s Prime Minister Viktor Orban, the showcase politician of the “young generation” of pro-free-trade views in Southeast Europe. On July 12, Orban delivered a surprise attack via Budapest media on the privatization carried out under the previous, Socialist-run cabinet, saying that it was a big fraud which robbed the state of revenue. Orban even threatened to re-nationalize vital sectors of the Hungarian economy, and he mentioned MOL, the giant natural gas and oil group, as one of the companies foremost on his mind. Orban’s remarks have “shaken investors” in the West, the European edition of the *Wall Street Journal* wrote on July 13, in an article dedicated to the Hungarian developments, which were appropriately characterized as indicative of the changing policy climate throughout southeast Europe.

And indeed, developments in Romania, a country bordering on Hungary, made that change clear: Romania’s President Emil Constantinescu caused even greater political turbulence than the Hungarian Prime Minister, when he took to national television and radio on July 17, to announce that he was dropping out of the Presidential elections in November. He said that he had decided to pull out because he saw no way to fight efficiently from inside the state’s institutions against the “mafiosi structures” of corruption and privatization, which reached into the “highest levels of the administration.” Constantinescu charged that these