

had made the expulsion of the communists one of the main themes of their successful local election campaign — some significant changes have nonetheless taken place. The new government team has been, restructured and tightened up, and a 15 strong 'inner cabinet' has been formed: within this reduced cabinet three ministers have been given increased responsibilities.

Jacques Delors, already Minister of the Economy, is now also in charge of finance and the budget, and emerges in second position after Mauroy in the cabinet hierarchy. An outspoken opponent of what he considers to be the economic orthodoxy of the Left, Delors has disapproved of the nationalisation programme implemented during the first year of the Left government, criticised moves towards greater democracy within the public sector, and repeatedly called for greater moderation in social and economic policies. His resistable ascension, due mainly to his public image as a 'non-political' no-nonsense economic expert, is certainly bad news for the supporters of a radical alternative economic strategy.

Accompanying Delors in the centre-left troika of super-ministers who now dominate government economic and industrial policy are two close political associates of Mitterrand: Pierre Beregovoy, who remains in charge of social security but has extended powers over labour relations, employment, health and immigration, and Laurent Fabius, formerly Minister of the Budget, who takes over the key Ministry of Industry and Research from left winger Jean-Pierre Chevenement, whose departure from the government is of major political significance. Chevenement evidently fell foul of the strong conservative lobby within the management structure of the newly nationalised firms who opposed his calling into question of management prerogatives and his radical plans for giving the workers of these firms far more say in how they were to be run.

The removal of Edith Cresson from the Ministry of Agriculture and of the communist Minister of Health Jack Ralite (both of them received other, less important portfolios) is indicative of the new government's desire to achieve a highly unlikely consensus among two social groups which have kept up systematic (and sometimes violent) anti-government agitation since May 1981, the farmers and the medical profession. Were it not for this series of rightward oriented cabinet changes, the downgrading of Michel Rocard, the persuasive anti-Marxist leader of the technocratic wing of the Socialist Party, from Planning to the

AUSTERITY IN FRANCE

The recent cabinet reshuffle in France and the series of drastic austerity measures adopted by the government illustrate the continuing rightward drift which was initiated some twelve months ago, in May-June 1982, when the Mauroy administration, under considerable economic and political pressure at home and faced with a loss of confidence abroad, devalued the franc and pushed through its first austerity package. Although few on the Left were willing to recognise it at the time, this was undoubtedly a major policy turnabout, and a blow to the global strategy of radical social and economic change heralded by the Mitterrand victory in 1981

Although the reshuffle has maintained the political balance in the cabinet between the various currents of the Socialist Party as well as between the major parties of the Left — the right wing opposition parties

Agriculture Ministry (a form of political punishment in the French context of vitriolic right wing farmers' unions) might have been interpreted as a minor victory for the Left.

The new austerity package, devised by Delors after the devaluation of the franc by 8% against the D-mark, came as a shock to French opinion after the pre-local election promises by Mauroy that there was to be no further belt tightening. Speculation against the franc, substantial capital outflows, pressure from France's European partners in particular West Germany, and what has been called 'the investment strike' launched after the Left victory in May 1981, along with the refusal, or inability, to mobilise popular support for the initial strategy of the Left, have all pushed Mitterrand and his administration down the slippery slope of compromise.

Early bombastic and sometimes ill-timed statements by Socialist leaders on the economic sabotage undertaken by certain major capitalists, on workers' rights in industry and on the necessity to break with capitalism have now given way to embarrassed admissions of economic difficulties and appeals for 'national unity'. The enormous political pressure kept up by the Right, restructured under the reactionary, populist,

strong-arm leadership of Jacques Chirac's neo-Gaullist RPR, seems to be paying off.

Thus the austerity measures which are intended to reduce the balance of payments deficit and rebalance public spending will take their toll essentially among wage and salary earners (although low wage earners are exempted from certain fiscal measures) but will leave profits unscathed. The package includes increased income tax to cover the social security deficit, forced savings, higher taxes on tobacco, alcohol and petrol, increased rail fares and higher prices for gas, electricity and the telephone, as well as highly unpopular restrictions on the amount of money French holiday makers may take abroad, which are part of a general policy of tightening up exchange controls.

The overall effect of these mainly deflationary measures will undoubtedly be to reduce home demand (the *increase* in home demand was officially considered during the first phase of the Left experiment to be an essential lever of economic recovery) and to slow down economic growth with the resulting risks concerning unemployment. The French Communist Party, whose 1981 election programme was in total contradiction with much of what is presently being put

forward as government policy, has been forced to look on almost impotently as its support throughout the country continues to stagnate at an all time low. Although the communists have recently been stressing the need to build on the parliamentary and extra-parliamentary gains obtained since the Left came into office, they no longer seem able to muster up the sort of popular mobilisation which might be capable of offsetting the pressure from the Right and of pushing the government back on to a radical trajectory.

Much depends on the attitude of the still deeply divided trade union movement. Both the CGT and the more moderate CFDT, the two major labour confederations, have protested against the Mauroy-Delors austerity programme, but it remains to be seen whether the already disappointed and demoralised rank and file will be ready to put some industrial muscle behind these protests.

Keith Dixon

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