

# The emergence of an anti-bourgeois bloc in France

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## Introduction

France finds itself stuck in an enduring political crisis which has had many blatant manifestations: no incumbent government has been re-elected since the end of the 1970s, the rise of parties which are rather perfunctorily qualified as “populist”, the increasingly rapid loss of popularity of elected presidents, etc. (Amable, Guillaud & Palombarini 2012 ; Amable & Palombarini 2014 ; Amable 2014). The causes of this crisis can be found in the break-up of the two social blocs that had structured the political competition during the 5<sup>th</sup> Republic. The Left bloc gathered the majority of the employees of the public sector and the working classes. Its political representation was the various left parties, principally the socialist party (PS) and the communist party (PCF) engaged in explicit or implicit agreements to become partners in a coalition government since the early 1970s. The Right bloc gathered the medium and superior categories of the private sector, the self-employed and professionals and farmers. Its political representation was an alliance of centrist, liberal and Gaullist parties.

Both these social blocs started to break up in the 1980s. On the left, the U-turn in economic policy made in 1983 (Lordon 1997) established an enduring contradiction between on the one hand the supply-side economic policy that the PS wanted to implement, geared towards the European Monetary Unification and the achievement and deepening of the Single Market within the EU, and on the other hand the expectation of the left constituency regarding real wage increases, industrial democracy and the consolidation of the social protection system. On the right, the 1980s saw the growing divergence between a radical neoliberal core, favouring drastic market liberalisation reforms, and a more moderate fraction that wanted to preserve most of the welfare state institutions. The far right party, the *Front National*, benefited from this rift, proposing, until the 2000s, a drastically liberal manifesto (Ruffin 2014) which also exploited other divides more or less related to “cultural” issues, such as immigration.

The issue of European integration summed up all these divides and emerged progressively as a cleavage, with decisive episodes showing an opposition cutting across the left and the right constituencies: the referendums on the Maastricht (1992) and the constitutional (2005) treaties. Around this issue and the ones it covers such as social protection reform, labour and product market liberalisation or the stance of macroeconomic policy, started to appear two different possible social blocs likely to structure political competition in another way than the more traditional left and right blocs. A social alliance centred on the educated middle classes, the *bloc bourgeois* (Amable, Palombarini 2014) would gather the fractions of the left and right blocs favourable to European integration and the implied reforms of French capitalism. The political representation of this bloc would be based on the mainstream centre-left and centre-right parties. As a complement of this bloc, an “anti-*bourgeois* bloc” would gather the social groups excluded from the *bloc bourgeois*, mainly the working classes. The political representation of this bloc would be unclear, at least in France.

## 1. Hollande's election : expectation of a left economic policy

During the presidential campaign of 2012, the candidate for the *Parti socialiste* (PS) François Hollande made a series of promises that led to believe that he aimed at a strategy based on the reunification of the left bloc. His answer to the financial crisis and the banking problem was to promise in January 2012 to enact a law separating investment banking from deposit banking. He also promised to suppress the possibility of using stock options and to regulate the use of bonuses. In a famous speech held at Le Bourget, he declared that his adversary was the world of finance. He also announced that a tax on financial transactions would be enacted, hoping that other European countries would join France on that matter.

But more significantly, Hollande declared<sup>1</sup> he would change the course of European integration. If elected, his plan was to demand a renegotiation of the TSCG (Treaty on Stability, Coordination and Governance in the Economic and Monetary Union) before its full ratification<sup>2</sup> and implementation. This renegotiation would have had to go in two directions: (i) obtaining precisions on the role of the European Court of Justice in monitoring budgetary discipline and the nature of the sanctions for countries which would not respect this discipline; and (ii) enhance the 'necessary' discipline with a growth and employment promoting program. It should for instance have been possible to borrow in order to finance large scale industrial projects or for the European Investment Bank to increase its borrowing capacity. Regarding employment, it should have been possible within the framework of the European budget, to have structural funds enabling the support to investment projects in low growth countries. The project was also to introduce Eurobonds so as to mutualise the public debt of member countries. Faced with a predictable opposition from Germany, the project was soon dropped.

The expectations around Hollande's elections can be assessed with the help of a model determining the reasons for voting for him at the second round of the 2012 presidential election. We consider a two-stage determinant of the vote, a specification used in Amable (2014): the position of the individual in the social structure determines his or her policy expectations, and these expectations determine the decision to vote (Figure 1). The details of the variables are described in the appendix.

Tables 1 and 2 present the results of the estimation after having eliminated all variables with non-significant coefficients ("paths") at the 5% level according to a likelihood ratio test.

As can be seen in Table 1, almost all the variables representing the social characteristics of the individual have been taken out of the model for being not significant, expressing the lack of direct influence on the voting decision. The only two remaining variables are the risk of income loss and the churchgoer dummy. Interestingly, individuals who expected a loss of income in the future have tended to not vote for Hollande in the second round. As expected, churchgoers preferred to vote for Sarkozy.

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<sup>1</sup> Interview in *Le Monde*, 8 february 2012.

<sup>2</sup> The treaty needed to be ratified by 12 countries before being implemented. Finland was in December 2012 the 12<sup>th</sup> country. France had ratified it in October 2012.

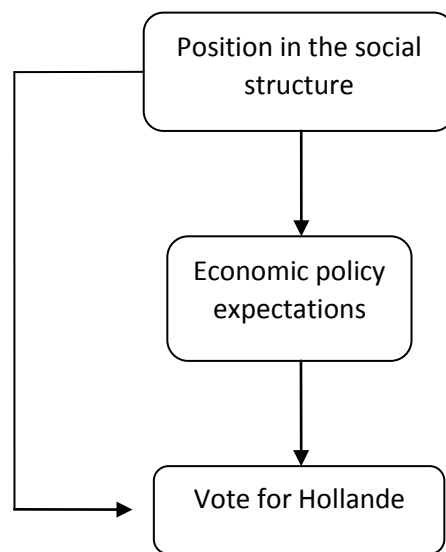


Figure 1. From social structure to vote

The policy preferences correlated with the vote for Hollande are clearly left: positive or very positive appreciation of nationalisations, responsibility of unemployment not put on the unemployed themselves, refusal to consider that there are too many immigrants in France, opposition to labour market flexibilisation (single employment contract) and Sarkozy's pension reform, opposition to nuclear energy and approval of income redistribution. "Cultural" aspects (authoritarian values, tolerance towards homosexuals) play no role in voting behaviour, except the immigration issue. One element can also be noted, the vote for Hollande was correlated with expectations to increase the powers of the European Commission against the French State.

Looking at the determinants of the policy expectations (Table 2), one finds a classic divide between affluent and less affluent individuals or high-skilled vs. low skilled on a certain number of issues: the approval of state intervention for decreasing income inequalities, the desirability of labour market flexibilisation (the single employment contract), the increase in VAT, pension reform or European integration. Nationalisations are particularly supported by young individuals, public sector employees and mid-skill private sector white collars. One may note that the low skilled and low income tend to think that the unemployed could find a job if they really wanted to. In general, as expected, public sector employees are more favourable than private sector employees to left policy measures. As far as "cultural" aspects are concerned, the young and the high skilled have no anti-immigrant attitude. The young and public sector employees are more anti-authoritarian, more favourable to homosexual couples.

	voted for Hollande
Risk of income loss	-0.276*** (0.085)
Opinion on nationalisations	
very negative	-0.345** (0.172)
Positive	0.259*** (0.088)
very positive	0.576*** (0.193)
The unemployed cannot find a job	0.373*** (0.085)
Not too many immigrants in France	0.773*** (0.095)
Churchgoer	-0.371** (0.159)
strongly opposed to single employment contract	0.223** (0.099)
Sarkozy's pension reform was fair	-0.124*** (0.014)
government's intervention to reduce income inequalities	
strongly approve	0.194** (0.089)
disapprove	-0.377** (0.171)
strongly disapprove	-0.590*** (0.179)
Increase the power of the EU	0.043*** (0.016)
Keep on building nuclear plants	-0.039** (0.016)

**Table 1.** The determinants of the vote for Hollande in the second round of the 2012 presidential election.

		Opposed to the single employment contract	Fairness of Sarkozy's pension reform	Against state's interventio n on inequality	Increase VAT	Increase the power of the EU	favourable to Nuclear energy	Increase the number of civil servants	Homosexuals ' adoption rights	Unemploye d could not find a job if they really wanted to	No need for hierarchy in society	Not too many immigrants
Wealth												
Over 300,000 Euros		-0.184** (0.077)	0.161** (0.074)		0.254*** (0.079)	0.175** (0.070)	0.316*** (0.081)					
150,000 to 300,000 Euros				0.157** (0.065)	0.136** (0.063)		0.233*** (0.069)					
75,000 to 150,000 Euros							0.176** (0.088)					
7,000 to 75,000 Euros	0.159** (0.071)						0.155** (0.072)					
Risk of income loss					-0.199*** (0.052)	-0.155*** (0.052)		-0.142*** (0.052)				-0.147** (0.068)
Employment risk			-0.298*** (0.053)	-0.109* (0.057)				0.109** (0.052)		0.241*** (0.066)		
Income												
2 <sup>nd</sup> decile						-0.166** (0.079)				-0.344*** (0.093)		
3rd decile	0.336*** (0.102)	0.225** (0.097)				-0.212** (0.096)						
4 <sup>th</sup> decile						-0.219*** (0.082)				-0.218** (0.095)		
5 <sup>th</sup> decile						-0.422*** (0.110)	0.363*** (0.107)			-0.411*** (0.136)		-0.437*** (0.155)
6 <sup>th</sup> decile			0.164** (0.077)		0.166** (0.079)	-0.152* (0.079)	0.151** (0.075)			-0.226** (0.095)		

7 <sup>th</sup> decile				0.343***							
				(0.109)							
8 <sup>th</sup> decile		0.184**		0.246***							
		(0.082)		(0.085)							
9 <sup>th</sup> decile		0.305***		0.242***		0.251***					
		(0.086)		(0.091)		(0.085)					
10 <sup>th</sup> decile	-0.213**	0.463***	0.398***	0.267**		0.285***	-0.344***				
	(0.102)	(0.102)	(0.098)	(0.108)		(0.098)	(0.094)				
occupation											
Craftsman, shopkeeper		0.311***		0.241**			-0.307***		-0.387***		
		(0.118)		(0.120)			(0.118)		(0.147)		
Manager		0.697***	0.564**	0.762***	0.614***						
		(0.220)	(0.227)	(0.219)	(0.227)						
High-skill public service	0.360***			0.241**	0.415***	-0.400***	0.395***	-0.788***	0.759***	0.623***	0.945***
	(0.114)			(0.107)	(0.099)	(0.100)	(0.102)	(0.132)	(0.141)	(0.144)	(0.127)
High-skill private sector		0.416***	0.429***	0.459***	0.446***		-0.266**	-0.486***			0.734***
		(0.110)	(0.113)	(0.116)	(0.107)		(0.111)	(0.136)			(0.133)
Medium-skill public	0.475***	0.410***		0.199**	0.382***	-0.565***	0.396***	-0.705***	0.454***	0.483***	0.988***
	(0.099)	(0.094)		(0.092)	(0.087)	(0.086)	(0.087)	(0.117)	(0.114)	(0.129)	(0.110)
Medium-skill private	0.261*		0.265**	0.364***	0.262**			-0.312**			
	(0.137)		(0.118)	(0.123)	(0.120)			(0.154)			
technician	0.225*										0.471***
	(0.118)										(0.133)
Public sector clerk	0.186**						0.330***	-0.200*			
	(0.091)						(0.080)	(0.104)			
Private sector clerk	0.180**		0.176**	0.214**				-0.259**	-0.268***		
	(0.091)		(0.080)	(0.084)				(0.107)	(0.103)		
Personal services		-0.348***							-0.433***	0.379**	-0.351**

Skilled worker		(0.119)						(0.139)	(0.164)	(0.155)
		0.174**						-0.313***		-0.228**
Unskilled worker		(0.084)						(0.101)		(0.109)
		0.265**						-0.333***		
student		(0.109)						(0.123)		
				0.466***	0.510***			0.520***		
unemployed				(0.148)	(0.151)			(0.186)		
			-0.314***					0.374***		
Former unemployed			(0.104)					(0.128)		
	0.121**	-0.111**	-0.122**		-0.213***	0.168***		0.249***	0.215**	
pensioneer	(0.057)	(0.054)	(0.056)		(0.053)	(0.051)		(0.067)	(0.086)	
				0.176***	0.241***		0.354***			-0.218***
woman				(0.054)	(0.054)		(0.080)			(0.084)
				-0.238***		0.110**	-0.284***			
Age				(0.052)		(0.051)	(0.067)			
	18 to 24	0.328***		0.488***		0.227**	-0.726***		0.651***	0.502***
25 to 34		(0.116)		(0.109)		(0.102)	(0.142)		(0.143)	(0.135)
	0.184**		0.351***				-0.396***			0.316***
35 to 44	(0.085)		(0.083)				(0.106)			(0.106)
			0.332***				-0.433***			0.255***
over 55			(0.071)				(0.093)			(0.094)
		-0.377***			0.117**					
churchgoer		(0.055)			(0.052)					
		-0.250**	0.412***		0.252***	-0.296***	0.706***		-0.384**	
Lives in a rural area		(0.099)	(0.089)		(0.089)	(0.088)	(0.117)		(0.178)	
				-0.104**		-0.130**		-0.178***		-0.192***
				(0.052)		(0.052)		(0.064)		(0.068)

Table 2. The determinants of policy expectations.

## **2. Hollande's policy: looking for an alliance with employers to boost growth and employment**

Once elected, François Hollande focused his mandate on the improvement of French competitiveness, an issue he had done his best to skirt during the presidential campaign. Progressively but constantly, the prominence of the supply-side in the definition of France's economic policy was established. As soon as July 2012, Hollande gave a mission to Louis Gallois, former CEO of the aerospace company EADS, to produce a report on competitiveness. This report led to the so-called 'competitiveness pact' in November 2012, which is in fact a plan to reduce firms' labour costs through a decrease in their social contributions by 20 billion Euros (1% of GDP). The pact was meant to last for two years, and in 2014, the so-called 'responsibility pact' took over, including the measures already present in the competitiveness pact, and adding a further 10 billion Euros decrease in social contributions.

The initial measures taken by the new government after Hollande's election represented a turnaround with respect to the promises and expectations of the presidential campaign regarding economic policy. As shown in the estimations reported above, the expectations of the traditional social base of the left were directed towards left economic policies, and these expectations explained the vote for Hollande in the second round of the election. One may therefore conclude that Hollande was elected mostly by a left electorate expecting, as promised, a left economic policy.

However, the promises were more ambiguous than what the majority of the electorate chose to remember. The famous speech held at Le Bourget, in which Hollande declared the world of finance as his adversary, and the promise to establish a special 75% tax rate for income over one million Euros per year, were not the main elements of the campaign. The promises contained in the presidential manifesto, 60 propositions, also contained the necessity to go back to "sound" fiscal policy and Hollande had distinguished himself from other PS candidates during the left primary by being the most orthodox fiscal policy-oriented contender, expecting a return to budget balance within a year after being elected.

The few promises of a left reorientation of economic policy that were made were for the most part ignored after the election. One issue, linked to the rise of income inequality, was the tax reform. Under the influence of a book by Piketty (2013), the public debate focused on the necessity to make the French tax system more progressive, which implied a complete reworking of taxation, merging the progressive personal income tax system with other types of taxation, in particular the various types of social contributions. This "fiscal revolution" would potentially also alter the financing system of social protection and presumably the features of social protection themselves. In other words, it would have been a substantial change.

Hollande had been cautious on this issue, remaining vague on what the tax reform he wanted to implement if elected would imply, but he nevertheless announced that a "fiscal reform" should be the first and most important reform of his term. In fact, after the election, the project of a general reform of the French tax system was never seriously envisaged, and the idea would only crop up when Prime Minister Ayrault suggested giving a new impulse to Hollande's mandate... shortly before being replaced by Manuel Valls.

The 75% tax rate project was so ill-conceived that the Constitutional court censored it. It was replaced by a temporary tax that firms, instead of the individuals, have to pay. The ecological tax that lorries should have paid was dropped because of the opposition of the small entrepreneurs and farmers, in spite of toll gates having been already installed on motorways.

One important question raised during the presidential campaign concerned the financing of social protection and the type of taxation that should be devoted to it. A measure of the preceding right government had increased the VAT rate as a step towards a so-called "social VAT". The PS



candidate had made the abolition of that measure a key point of his contestation of Sarkozy's economic policy. Although not significantly influencing the vote for Hollande in the second round of the election in the results presented earlier, the preferences regarding this measure were clearly separating between the right and left constituencies.

The Fillon government had increased the normal VAT rate from 19.2% to 21.2% in order to finance a 13 billion euro exemption of social contributions for firms. The unequal character of that measure, consisting in raising taxes for households by means of a regressive tax scheme in order to alleviate the tax bill of firms had been stressed repeatedly by Hollande during the campaign. Once elected, Hollande indeed suppressed Sarkozy's tax increase, but initiated a hike of his own of the normal rate to 20% and the intermediary rate to 10% (from 7%). The seemingly social aspect was to be taken care of by a decrease of the reduced rate from 5.5 to 5%, but this last measure was not agreed to by the parliament. As with Sarkozy's measure, the VAT hike was part of an arrangement lowering firms' social contributions. In fact, this latter element was the central part of the so-called 'competitiveness pact' mentioned earlier.

The aim of this "pact" was to decrease labour costs in order to foster employment. Part of this cost competitiveness orientation of the economic policy of the Hollande mandate were also the extension of the freeze of base wage index for public employees decided by Sarkozy in 2011 and the minimum wage, whose raises are determined by law, was increased only slightly over the legal minimum. Initially, the competitiveness pact was meant to last for two years, but the idea was kept for the so-called "responsibility pact", announced in December 2013, with an extra 10 billion Euros' cut in public expenditure, an 11 billion Euros' cut in firms social contributions and an extra 10 billion Euros' cut in firms' taxes.

The objective of these measures were to increase firms' competitiveness and *in fine* employment. Early critics pointed out that the "pacts" were not quid pro quo arrangements. No guarantee that firms would increase employment was demanded in exchange for the tax cuts. The decrease in labour costs was more or less assumed to mechanically lead to more employment. However, it became clear in late 2014 that the competitiveness pact did not produce the expected results in terms of employment.

This led the government to change the official objective of the competitiveness pact: the tax cuts would only have for objective to increase firms' profitability in order to invest and not to specifically and directly lead to job creations.<sup>3</sup> However, the specific tax cut aspect of the competitiveness pact was called tax credit for competitiveness and *employment*. Besides, the pact was announced in 2012 to lead to the creation of at least 300,000 jobs in two years. The responsibility pact was expected to lead to an extra 190,000 jobs by the Ministry of Labour in 2014.

However, the reality of employment implied to diminish drastically the expectations made earlier. Unemployment had kept rising and private firm investment had decreased (-1.1% between 2011 and 2014) and so did private households' investment (-12% between 2011 and 2014).

In fact, the Hollande presidency engaged further in the direction of an austerity-dominated supply-side economic policy. The contestation regarding the efficiency of that policy with respect to its own objectives (investment and employment growth) were eliminated with the change of Prime Minister in 2014. The left of the PS was no longer represented in the government after the departure of 3 ministers, including the minister of the economy, and a change in prime minister. Manuel Valls, representing the right wing of the PS, replaced Jean-Marc Ayrault, provoking the departure of the Green minister.

The change of government was presented as the choice "of clarity". The government could not tolerate a contestation of the austerity line within its own ranks. Significantly, the new minister

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<sup>3</sup> Le Monde 8/9/2014

of the economy was chosen to be Emmanuel Macron, a former investment banker who had drafted a neo-liberal report on structural reforms for the Sarkozy presidency.

France had started to engage in a spiral of budget cuts leading to slowdown and eventually recession, implying missed objectives with respect to the decrease in the budget deficit to GDP ratio and calling for more austerity and/or "structural reforms".

In December 2012, France had promised to the European Commission to make a fiscal consolidation of 3.2% of GDP over 2013-2015. In 2014, it became clear that this objective could not be satisfied, and the fiscal consolidation was in fact limited to 1.1% in 2013, 0.1% in 2014 and 0.2% in 2015 (Etievant et al. 2014). The initial plan was to cut 50 billion Euros in public expenditure between 2015 and 2017. The increase in public expenditure would then considerably slow down and come to a halt in 2017. Cuts would affect social protection, the central administration and the local administrations

The risk was then to have the Commission reject the budget and apply the sanctions that a series of measures taken under the impulsion of Germany (two-pack, six-pack, Fiscal Compact etc.) had made easier to take more systematic than with the previous treaties.

As of January 2015, there will be no social contributions for employers on salaries paid at the minimum wage. The social contributions will decrease up to 1.6 times the minimum wage. This implies a decrease of 4.3 billion Euros for the financing of social protection (Etievant et al. 2014). This is supposed to be compensated by the state budget, but in a context of austerity, the financing of the social protection system is made more dependent on the requirements of the European Commission to respect the limits set by the treaties, more sensitive to requirements for the implementation of "structural reforms" and thus more fragile.

The economic orientation of the Hollande presidency corresponds partly to a new political strategy for the left but is also the continuation of a long-term project for the PS: the redefinition of its social base and political alliances.

A "second left" has always been present in the Socialist Party since its creation in 1971. It was favourable to decentralisation, regionalist and for a joint worker-management control of the firm; it favoured the contract and negotiation to intervention by law; hostile to nationalization, it refused and rejected the Marxist reference the management of the economy by the state; carrying a very critical view of national sovereignty, it was for a federal Europe; its natural allies were the centrist parties rather than the Communist Party.

But this second left remained for very long a minority within the PS. In 1979, at the Metz Congress of the PS, Michel Rocard - figurehead of the second left - already openly advocated the "economic realism" the centrality of business and the need to support them: *"the liberal thought is in crisis (...) but so is socialist thought, because it did not dare to take on board the opposite requirement: to recognize that the act of producing needs motivations other than coercion. A centralized and rigid planning is not sufficient."* His motion received only 20.4% of the vote.

Fifteen years later, in 1994, another major figure of the "second left" refused the nomination for the presidential election despite very favourable polls, partly for personal but also for political reasons (Van Brabant, Eberle 1995). For Delors, the decisive question was whether once elected, he would have *'the ability and political means to carry out [the] necessary reforms'* reforms that went into the direction of the "modernization" of the French economy and the deepening of European integration. His conclusion: *'The absence of a majority to support such a policy regardless of the measures taken after the election, would not allow me to implement my solutions'*. Delors believed in 1994 that the structure of the political supply was inconsistent with his strategy. The Socialist Party and their allies represented for him a social bloc different from that corresponding to his objectives. He could win the election based on the left bloc, but once elected, he should abandon reforms yet he considered "essential" for lack of a social and political majority to support them. He thus expressed

the regret of the lack of social and political alliance different than what the PS had built in previous decades.

However, if one looks beyond French borders, we see that in the 1990s, themes that characterize the French second left had become dominant in much of the European social democratic left. In Europe, the anti-Marxist left, which regard the firm as the engine of economic and social progress and not as the *locus* of social conflict, was the "third way". The major project of the third way was to radically change the forms of state intervention in the economy.<sup>4</sup> This would transform the welfare state aiming at equal situations in a positive welfare state with very different objectives.<sup>5</sup>

Our results (Table 2) show that social expectations in France today still differ strongly on the subject of state intervention in the economy: it is one of the fundamental political divides. Another important one is the position vis-à-vis the European integration. However, for Giddens and the Third Way, social changes that have marked the evolution of capitalism over the last thirty years would make this cleavage obsolete.

For Giddens, the economy is now heavily dominated by knowledge-based and service industries, and this has led to new and very different social groups. The society, being very different society from that of 30 years ago, consists of new classes, such as 'white workers', the new 'white collar' that are neither clerical nor manual workers and spend the day exercising expertise on their computers. These employees are close to the middle class, they do not have a 'class consciousness', they change job during their lives, with a high social mobility. They do not recognize themselves in the traditional left-right divide. They think according to other criteria, more individual, more interested in modernity, improved lifestyle, democratization of social issues, safety, planning, immigration, ecology by example.

This political vision, which considers that a declining working class must not be the main left constituency, was very widespread in the European social democracy in the 1990s. If the Labour government of Tony Blair was a real social laboratory of the third way, the social democratic left has governed against the opposition of the radical left and often in alliance with centrist parties (or right) in most if not all European countries (Germany, Italy, Spain, Belgium ...), while the French Socialist Party renewed its alliance with the Communist Party.

In the centrist turn of the Hollande presidency, and in the fact that for the first time in the 5th Republic the PS governs against the opposition of a part of the parliamentary left (Front de Gauche and a part of the green party), we can see both the late victory of the second left in the PS, and the end of the French exception.

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<sup>4</sup> 'For most socialists (...) the welfare state seemed to point up a way ahead to a controllable and egalitarian future, whether or not this was seen as a halfway house to 'full socialism' or to some version of communism. With the collapse of socialism's historical ambitions, we have to look at the welfare state in quite a different light' (Giddens 1994, p.150).

<sup>5</sup> 'Schemes of positive welfare, oriented to manufactured rather than external risk, would be directed to fostering the autotelic self. The autotelic self is one with an inner confidence which comes from self-respect, and one where a sense of ontological security, originating in basic trust, allows for the positive appreciation of social difference. It refers to a person able to translate potential threats into rewarding challenges, someone who is able to turn entropy into a consistent flow of experience. The autotelic self does not seek to neutralize risk or to suppose that 'someone else will take care of the problem'; risk is confronted as the active challenge which generates self-actualisation' (Giddens 1994, p.192). One has to adopt 'a wide notion of welfare, taking the concept away from economic provision for the deprived towards the fostering of the autotelic self. (...). The effort bargain with the poor would not be the direct transfer of wealth but a transfer of employment opportunities coming from changed attitudes towards work on the part of the more affluent' (Giddens 1994, pp. 194-195).

### 3. National sovereignty and defence of the French model: a political space left empty

Hollande's strategy corresponds from a political point of view to the construction of a new social coalition that we have called the "*bloc bourgeois*" (Amable, Guillaud, Palombarini 2012; Amable, Palombarini 2014). Two dimensions define this political project: (i) the continuation of European integration based on the independence of the central bank and fiscal conservatism, and (ii) institutional reforms dictated by the neoliberal doctrine.

If one interprets this way the centrist turn of Hollande, the most complete opposition to his action should be structured around the challenge to European treaties and the defence of the French socio-economic model.

Similarly, the social base of the *bloc bourgeois* is composed of the most favoured part of the social groups in terms of income distribution: entrepreneurs, managers and the skilled of both the private and public sector workers, professionals (Amable, Guillaud, Palombarini 2012). A frontal opposition to the *bloc bourgeois* project should seek the support of all popular classes: workers, temporary workers, artisans, shopkeepers, very small entrepreneurs.

Until the 1980s, the two traditional blocs (right and left) showed some consistency: there was a political supply able to meet the expectations of each bloc. And each of the two blocs included a fraction of the working classes. As we have discussed elsewhere (Amable & Palombarini 2014) the political crisis - namely the divide within traditional blocs - gave strength to the *bloc bourgeois* project; but at the same time it opened the space for a political project that we call "*anti-bloc bourgeois*."

If we consider the state of the political supply in the late 1980s, there was no indication that the FN could be the leading candidate to occupy a political space defined by the defence of national sovereignty and the French model of capitalism. It is true that even then the FN had made of the fight against "Brussels technocrats" one of its main campaign themes; but this theme had its origins in an ultra-liberal strategy of rejection of any public intervention, and particularly at the supra-national level, in the functioning of the economy.

As recalled by Ruffin (2014), during his stay at the National Assembly (1986-1988) Jean-Marie Le Pen has been a strong supporter of Reaganomics. In a speech of April 23, 1986, he approximately quoted President Reagan (*'I want the state to get off of my back and take its hand out of my pocket'*) and simply asked for the abolition within five years of the income tax. Similarly, he called for 'the immediate suppression' of the wealth tax, which he challenged for its 'harmful nature', and stated that, following what was happening in the United States, the rate of the corporate tax should be lowered in a range between 20% and 30%, depending on the result, and in any case limited to 33%.

In its 1988 manifesto, the FN called for 'lower taxes, less bureaucracy' and advocated reduced taxes and social contributions (including employers' wage tax) 'which penalise French companies with respect to their foreign competitors' and pleaded for 'a questioning of the income tax that discourages economic activity and initiative. How? By imposing a diet on the state'.

One finds the elimination of the income tax (this time within seven years) in the 1995 FN manifesto; the same manifesto states that 'the standard rate of VAT will be increased by one point for a period of three years; the money collected will be used in full to reduce the debt of the state'.

Following the same inspiration, the FN fought in the National Assembly to defend the interests of shareholders. During the parliamentary debate of 29 April 1986, François Porteu de Morendière - FN parliament Member - opposed the project (supported by the right-wing government) that was to make room for employee representatives on the boards of directors of large companies: *'How far will the employee representation on the boards go? (...) We ask you to cancel it in order to enforce the rights of those poor shareholders, battered by years of socialism (...) Today you still threaten them with constraining texts on which they have no control. It is your duty, as*

*well as your interest to respect the rights of shareholders, otherwise you will not get the confidence of investors, and if you do not allow investment, there will be no jobs'.*

The electoral target of the FN at the time consisted of small entrepreneurs and self-employed. At the National Assembly (April 23, 1986) Jean-Marie Le Pen declared: *'It is in countries like the United States that we see tomorrow's world taking shape and, unlike what was planned, not by huge concentrations of undertakings, but rather, by multiplication, the proliferation of small and medium businesses that open in some sort of way for a new era'.* We still find this theme in the 2002 election manifesto of Jean Marie Le Pen, presidential candidate: *'Give a job to each French citizen thanks to our small and medium enterprises and their employees, giving them the means to ensure their development and prosperity, to take their place in the global competition, and become a source of job creation'.*

The National Front of Jean-Marie Le Pen was therefore (ultra) liberal from an economic viewpoint. However, it was opposed to free trade and advocated the control of foreign trade. From this point of view, the opposition is against world trade more than Europe. In a leaflet from 1988 one reads: *'For a European Europe, protecting its borders from immigration of the Third World and wild imports threatening its business'.* And in 1995, Le Pen declared: *'To restore economic prosperity in France and Europe, one must control foreign trade. This can be done either by quotas on imports into the French and European borders, either by setting up tariffs balancing the labour cost differentials. (...) one must not treat in the same way the import of Chinese textiles and the software produced in the United States'.* At that time, the enemy of the FN was globalisation. Europe – understood as a Europe of "nations" and not a federal one - was seen as a potential ally to restore a form of protectionism

The strategy of the National Front in the 1980s and 1990s was to look for the support of the most liberal part of the right bloc: artisans, shopkeepers, small entrepreneurs. Using data from the electoral survey of the presidential election of 1988, we estimated a probit model explaining the possible vote for the FN. Because of the self-censorship often observed among respondents when the question of the vote for the FN is asked, it seems better to consider the answers to the question whether the respondent could vote for the FN. Among the respondents of the sample, 35% answered that they could vote for the FN and 65% answered they they would never vote for the FN under any circumstances.

Table 3. Possible vote for the FN: probit estimation results.

	Vote for the FN: possible
High-skilled Public sector	-0.47 *** (0.06)
High skilled private sector	-0.30 *** (0.11)
Technician	-0.36 *** (0.06)
Student	-0.42 *** (0.12)

The results of Table 3 show that the high-skilled categories among blue collars (technicians), white collars of the public or the private sector or the young (students) tend to significantly reject a possible vote for the FN.

The ultra-liberal position of the National Front of Jean-Marie Le Pen was therefore not the "natural" candidate to occupy the opposition to the strategy of the bloc bourgeois; for among the social groups excluded from it, are the frontline workers and unskilled workers. At the same time, in the political supply landscape of the 1980s and 1990s one could find other potential candidates for the establishment of a "anti-bloc bourgeois" front - that is to say, able to offer a credible policy based on the opposition to European integration and the defence of the French model.

In particular, sovereignist political positions and those defending the French socio-economic characteristics (both opposition axes to the bloc bourgeois) also existed within both the right bloc and the left bloc. Tensions within each of the blocs between the liberal and pro-European strategy and the "social" and sovereignist one have emerged into the open in 1992 at the referendum on the Maastricht Treaty.

This referendum has had a fundamental importance in the French political dynamic. First because it has highlighted the clashes that have since structured the main divisions of the political supply, no longer based only on the traditional right / left divide. Also, the narrow victory of the "yes" (51.04% against 48.96% for the "no") marked the victory of liberal and pro-European integration fractions and in the "government" parties both to the right and to the left.

But one must remember that the victory of the "yes" was achieved at the cost of major rifts within the traditional alliances. Thus, the right "yes" was defended by senior leaders of the conservative post-Gaullist RPR at the time (Jacques Chirac and Edouard Balladur in particular), but another important part of the RPR (led by Charles Pasqua and Philippe Séguin) supported the "no".

It is interesting to quote some excerpts from the speech by Philippe Séguin (Séguin 1992) before the National Assembly. The first challenge to the Maastricht Treaty concerned the surrender of national sovereignty:

*'The logic of the process of economic and political spiral developed in Maastricht is that of a cheap fundamentally undemocratic federalism, falsely liberal and decidedly technocratic, the Europe proposed to us is neither free nor fair or effective. It buries the concept of national sovereignty and the principles coming from the Revolution: 1992 is literally the anti-1789'.*

The second point relates to the defence of the specificities of the French model:

*'There is undoubtedly a French exception (...) which reflects this extraordinary compromise the Republic has made here, between the need for the state and the freedom of the individual and cannot be reconciled with standardization, with trivialization one wants to impose on France, on behalf of the logic of Maastricht. (...) The normalization of French economic policy involves in the very short-term a downward revision of our welfare system, which will quickly become an insurmountable obstacle for both harmonization and the famous "convergence" if economies'.*

Defence of national sovereignty and the French model can also be found at the time in the positions of part of the left. If President Mitterrand was first in line to defend the "yes" in the referendum, a significant fraction of the left - the communist PCF, environmentalists and some socialists – were opposing it on the basis of arguments very similar to those put forward by P. Séguin. Moreover, in 1993, after the victory of the 'yes', the leading exponent of the "Republican" wing of the Socialist Party (Jean Pierre Chevenement) left denouncing a "social liberal" drift.

The debate preceding the referendum on Maastricht appears as a confrontation between divergent strategies that correspond to internal lines of fracture in the left bloc and the right bloc, which relate mainly to the priorities of economic policy (fiscal balances or lower unemployment) and the European question. From 1992 on and the narrow victory of "yes" in the referendum, the liberal and pro-European strategy clearly dominated, while the "sovereignists" were marginalized both in the left and the right camps.

The relative coherence of the political supply in the government parties does not mean - far from it – that the solution of contradictions that are present in the electoral bases of both traditional social blocs has been found. One needs only to recall the victory of the "no" in the referendum in 2005 on the European Constitutional treaty (whereas the vast majority of government party leaders had supported the "yes"), and the result of the consultation among registered PS members that preceded it: in which the "yes" - again supported by virtually unanimous leaders - had won, but with only 59% (41% for the "no") in spite of the massive support of the party's leadership.

It is therefore certain that the liberal and pro-European strategy of government parties aroused discontent among many voters formerly integrated into their respective constituencies, especially among the lower classes: it opened the political space for a frontal opposition strategy to that of bloc bourgeois. But the failure of attempts made by some leaders of the left and the "traditional" right to impose the defence of the sovereignty and the French model in their respective camps, left this vast political space vacant.

#### **4. Marine Le Pen's strategy and the emergence of a front anti-bloc bourgeois**

It is in this context that we must interpret the strategic shift of the National Front, driven by Marine Le Pen. The fracture of the former social blocs produced political conflicts both to the right and to the left, from which the proponents of a liberal and pro-European line emerged as winners. This line leads to the strategy of the bloc bourgeois. Marine Le Pen has tried - so far successfully - to represent the expectations sacrificed by the outcome of these conflicts: namely, the expectations of the most popular fractions of the right bloc and the left bloc: artisans, shopkeepers, small entrepreneurs on the one hand; workers and employees with little or no qualifications on the other hand. The failure of the "sovereignists" and "Republicans" in the political struggles that took place until the early 1990s facilitated this task by delegitimizing its main potential competitors; the real difficulty was to propose a political supply characterized not only by the opposition to European integration (which partly corresponds to the tradition of FN), but also the defence of French socio-economic model (no small feat for a party that was so enthusiastic about the liberal revolution of Thatcher and Reagan).

The presidential manifesto of Marine Le Pen in 2012 <sup>6</sup> was entirely built around these two axes, which find a common expression in the defence of national sovereignty.

One can find in this manifesto a renegotiation of European treaties that should *'put an end to the dogma of free and fair competition'* in order to *'lay the foundation for a Europe that respects popular sovereignty, national identities, languages and cultures'*. If one does find the traditional theme of a *'smart border protection [that] will be implemented to protect against unfair competition from countries with low labour costs and the ensuing relocations'* the turnaround with respect to the previous position of the FN is spectacular throughout the economic policy program.

The National Front manifesto proposes to "remove" the monopoly of banks and to *'de-privatize public money. The Bank of France will be able to lend to the Treasury without interest'*. The same party that had repeatedly proposed the abolition of the personal income tax in the past, gave in 2012 as a 'priority' to *'make it more progressive (...) by creating new intermediate rates'*. *'The upper rate of the income tax will be increased to 46%. Thus, the middle class will pay less tax on income, but the very wealthiest households will pay more'*. And *'the opaque housing tax, will be integrated into the fairer income tax, in the form of an additional fee to be as progressive as the income tax'*.

Similarly, there is no more mentions of *'those poor shareholders'*: *'The taxation of dividends will be reviewed to ensure that capital income should not be favoured over labour income'*. The support to labour income - especially low wages - is displayed as a major objective of the "new" National Front: *'all wages up to € 1,500 will benefit from a net increase of € 200'*; *'the wage index will be upgraded for small wages of the public sector'*; and a *'reevaluation of pensions will be done'*.

The party that wanted to abolish the wealth tax, proposed in 2012 the creation of a *'single progressive tax on wealth (...), the result of the merger between the property tax and the tax on wealth (ISF), on a renewed common basis ensuring fiscal justice. This will remove the current real property tax, based on unjust bases dating from 1970. The ISF will be integrated into this single tax and it will correspond to a surcharge respecting the same rates as today'*.

The National Front no longer speaks of a widespread VAT increase: *'The staples will continue to benefit from the reduced VAT rate to 5.5%. But VAT can be made more progressive, so as to generate new revenue and to meet the primary objective of fiscal justice. A majored VAT rate will be created for luxury products (luxury cars, luxury cosmetics and jewellery, among other examples)'*.

This proactive policy of income redistribution makes sense within a broader strategy to defend a specific social model. The 2012 program of the National Front was very ambitious on the theme of public services: *'in order for the rail network to cover the entire country, many regional routes will be renovated or restored'*; *'local post offices that were closed down will be reopened and the Post will regain its status as a public institution'*; *'Access to health care throughout the country will be a political priority by ensuring the presence of multidisciplinary hospital or medical centres in each village, desertification is a tragedy for the rural world'*.

The same applies for the pension system: *'PAYG system will be continued through a realistic and ambitious policy. Full retirement with 40 years of contributions will be restored and the legal age of retirement will be reduced to 60 years'*. Funding of the pension system will be expanded *'to capital income in order to finance all of the services that fall under the principle of national solidarity'*.

The distance is therefore huge between the ultra-liberal positions of the National Front of the 1980s and 1990s, and the most recent, very socially engaged, program. It is difficult to say whether this is a real change or a form of deceit, such as denounced by the trade union confederation CGT.<sup>7</sup> But the temporary success of the FN electoral strategy is probably partly based

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<sup>6</sup> <http://www.frontnational.com/le-projet-de-marine-le-pen/>

<sup>7</sup> <http://www.cgt.fr/Le-front-National-UNMASKED-by-l,41270.html>



on a form of ambiguity in the perception that voters have of that party. The National Front captures the support of a majority of the popular classes. In a poll by Ifop in October 2013,<sup>8</sup> 44% of workers and 36% of employees said they wanted to vote for the FN: this is probably voters attracted by the public services defence and the redistribution of income proposed by the "new" FN. At the same time the party is very strong among the artisans and shopkeepers (35% of voting intentions) that are the core of its traditional electoral base, and whose expectations are associated with lower taxes and higher flexibility of the labour market. These electors are in favour of a pension reform, limiting the size of the public sector and blame unemployment on the lack of efforts made to find a job by the unemployed (Amable 2014).

The symbol of such ambiguity is in the results of National Front in the European elections, in June 2014. The party obtained its best scores in the working class areas of the Northern region where the top of the list was Marine Le Pen (33.6%); and in the South-east district, the oldest area of electoral implantation, where the list was headed by ... Jean Marie Le Pen, 85 years old (28.2%). While it is true that the success of FN is very wide among popular classes, it has yet to demonstrate that a mediation strategy between demands as remote and even contradictory exists; for now more than a successful mediation, we can speak of a coexistence - at least in the perception of the voters, but also in terms of its ruling class - between the Thatcherite past positions and the new social ones.<sup>9</sup>

## 5. A future for the Left?

The strategy of President Hollande, based on a renewed European commitment and neoliberal structural reforms, and that of Marine Le Pen, centred on a return to national sovereignty and the defence of the French model, point to a restructuring of the French political landscape. They are attempts to overcome the political crisis caused by the fracture of traditional left and right social blocs. As evidenced by the election of François Hollande, the Left bloc (based mainly on the de facto alliance between the working class and the public sector employees) is still a social majority. But the fracture on the European issue is deep, and President Hollande's action also shows that - for lack of a viable mediation strategy - the unity of the Left bloc no longer resist the government experience and cannot exceed the time of an election.

As shown in Table 4, Hollande's voters who are in favour of giving more power to the EU are found among the high and medium skilled. If the nationalist reaction proposed by the FN is a clear response to the rejection of European integration by the popular classes, it is difficult to for a Left that has internationalism in its genes to correspond to it. Intellectual and ideological "Left" production remains really divided on the issue of Europe. There is a large consensus on the opposition to the "neoliberal" Europe, but the advices on the policies to be followed are radically different.

As an example we can consider the collective work "*Changer l'Europe!*" (*Les économistes atterrés*, 2013), authored by the "*Economistes atterrés*" association.<sup>10</sup> In the Introduction to their collective work we can read that "*European integration must resolutely take into account the consolidation and development of the European social model. Europe must stop imposing people a target of competition based on public spending cut*". The goal is ambitious, and the authors are aware that the '*transformation of policies (...) can only occur if institutional ruptures are made to the treaties themselves*'. But what institutional ruptures are they talking about? On the content of the treaty reform and the future of the single currency, the positions diverge.

<sup>8</sup> « L'intention de vote pour les élections européennes de 2014 », Ifop, octobre 2013

<sup>9</sup> The opposition between the two lines, represented respectively by Jean-Marie and Marine Le Pen, escalated after the local elections of 2015, and led to the former being suspended from the party he had founded.

<sup>10</sup> This association brings together a large number of economists '*strongly wishing to see the economy free of neoliberalism*' and whose action aims to provide '*alternatives to austerity policies advocated by the current governments*' [www.atterres.org].

Table 4. Support for increased European integration for Hollande voters

Public sector	High skilled	0.639*** (0.126)
	Medium skilled	0.367*** (0.110)
Private sector	High skilled	0.530*** (0.149)
	Medium skilled	0.381** (0.164)
Income	Decile 5	-0.303** (0.152)
	Decile 8	0.217* (0.114)
	Decile 9	0.376*** (0.112)
	Decile 10	0.412*** (0.132)
Age	a1824	0.396*** (0.147)
	a3544	-0.198** (0.085)

The last chapter of the book, written by Michel Dévoluy and Dany Lang, advocates a federal solution: they wish a further transfer of sovereignty to the EU, in accordance with democratic procedures, and the creation of a real European government chosen by universal suffrage. The Introduction to the book warns that this position is far from being shared by all authors. Instead, *'many of them doubt that the solution today is to strengthen federalism, even democratic. They are sceptical at first because the current balance of power does not make it possible to consider such a step. These 'Atterrés' therefore think they must now oppose any strengthening of federalism and, for a time at least, try to restore power and leeway to national States and peoples'* (p. 20).

Transfer of sovereignty to the EU and *'democratic federalism'* on the one hand, opposition to any strengthening of federalism and return to national sovereignty on the other hand: one can hardly imagine more distant positions within a common association of left-leaning economists.

The same applies for the future of the single currency. The Introduction to *"Changer l'Europe!"* (whose subtitle could be: Yes, but in what direction?) states that *'among the authors of this book, some believe that the malfunctioning of the euro and the accumulated imbalances make it necessary to consider the end of the euro or, at least, an exit of some countries (or groups of countries). According to them, keeping the euro as it is, is the surest way to destroy the European social model and lead Europe to decline'*. In contrast, other "Atterrés" think that *'the reform of the Eurozone running is still, for now, the best solution'*, because *'the break-up of the zone would represent a serious setback for the construction of Europe'*, and European countries without Euro *'will lose all ability to influence global economic developments and to promote their social model'* (p.21).

The goal is the same: the defence of the European social model. But the strategies to achieve it - federalism and single currency vs national sovereignty and euro exit – are totally divergent.

In the galaxy of critical economists, the clearest (and most opposite) positions are probably those of Jacques Sapir and Alain Lipietz.

For Sapir (2009) *'the political frameworks, the institutions are creations of history and they specify national spaces as special policy areas. It is in these specific policy areas that we need to find solutions'*. Sapir does not hesitate to propose a new political alliance that *'goes from the extreme Left to the neo-Gaullists'*. For him, *'federalism in Europe today, can only be an anti-democratic project. (...) The building of legal frameworks beyond Nations, and therefore beyond democratic control expressed within them, has always meant a social and political decline. Today, the European project is progressing at the same speed as the dismantling of democracy not only in Europe but in each member country'*.

The radical rejection of the federalist perspective is consistent with the French exit from the Eurozone: *'The interest of exit from the Euro is just to lead a truly different policy, with the combination of industrial policy and incomes policy (...), as well as capital controls and funding a portion of the debt by the Central Bank'*.

In contrast, Alain Lipietz (2015) considers that *'a solution is (...) possible for Europe'* because *'Europe has sixty years of experience in the construction of a supranational space. At the end of last century, it failed to adopt a governance other than by rules, a political and democratic governance, but nothing prevents the crisis itself to force it to move. (...) A New Deal, but that is a Green Deal. Europe has the material and institutional means to have such a goal, to save itself and help save the planet. But this requires a federalist jump. And this is probably the real obstacle: the lack of trust in the others, which reflects the lack of confidence in itself'*.

Between these two extremes, there is a varied spectrum of positions. Frédéric Lordon (2014) opposes the federalist project, and he is favourable to the exit from the Euro. However, Lordon criticizes the proponents of 'national sovereignty', which do not raise *'the question of who is the incarnation of this sovereignty'*. He differentiates between a *'left-wing sovereigntism which is easily distinguished from a right-wing sovereigntism usually conceiving sovereignty as 'the nation', when the first claims to uphold the sovereignty 'of the people'.*

This distinction is not just philosophical: it has major implications for the profile of the social and political alliance that could meet around the break with European integration. *'The Right-wing sovereigntism is (...) nothing more than a (legitimate) desire for restoring means to govern, but fully assigned to qualified leaders which 'the nation' is invited to recognize in - and to surrender to. Left-wing sovereigntism is the other name of democracy - but finally understood in a rather demanding way'*. Since *'the symbolism of the national sovereignty in the French right'* has *'still not departed from the figure of De Gaulle'*, it is difficult to conceive the alliance from the extreme Left to some néogaullistes advocated by Sapir.

The position of Jacques Genereux is interesting because this economist has played an active political role in the French Left as co-founder and national secretary for the economy of the Parti de Gauche between 2008 and 2013.

For Genereux (2013) *'what to do (...) ideally, it is to complete the Euro, bringing to the currency area what it lacks to become an area of progress'*. This is the idea that *'another Europe is possible'*, which for years functioned as a unitary horizon to a deeply divided Left. Genereux pretends always to believe in it: *'A country like France can help. Because it is a founding member of the European Union, because it is the second economy in Europe, France can attempt a coup de force. A new government (...) could propose a deal to its European partners: we can no longer assume in Europe policies that lead to social and financial disaster; (...) the goal is to stay in the Euro and negotiate'. But the faith in an "another Europe" is lost: "The problem is that this scenario will not happen. It is serious and credible, but there is no majority to sustain it. While this does not occur, it is the neoconservative, nationalist (...) or neo-Nazis movements (...) that recover discontent in Europe and advocate withdrawal'*. Genereux notes that *'the other Left still exists in Europe (...) but it does*

*not progress. This progressive Left has not been able to fully assume a sufficiently clear position relative to the euro. Before the crisis, we could say to voters: 'We are pro-European, we want to rebuild Europe, to create a balance of power ... It was audible, but not anymore. (...) The Europeans have suffered, directly for some of them, from the austerity policies imposed. (...) Today, it is difficult to present oneself as pro-European: people will laugh in your face'. So what to do in such a situation? Genereux admits that 'it is difficult. We must clearly assume that at the end of our coup de force scenario, if the other countries refuse it, there will be an exit from the euro. We'll be outside. It is not until then the Front de gauche program,<sup>11</sup> because the Communist Party was not ready to go that far in disobedience to the European rules. But this is the condition for the credibility of our political scenario. We must get out of the ambiguity: the priority must be the move to another policy. It is better to leave the euro to conduct another policy than to throw over another policy to save the euro. Because in the end, we do not want to save the euro, but Europe'.*

Saving the euro and jump to a "democratic" federalism, a new European Green Deal; a last attempt to negotiate with European partners before leaving the euro; breaking the Eurozone and returning to national sovereignty but clearly differentiating between Left-wing and Right-wing sovereignisms; a new political alliance that goes from the far left to the neo-Gaullists in the name of national sovereignty... The least that can be said is that there is no shortage of projects. In fact, the only factor that still makes that "Left" is still an analytical category, is the rejection of neoliberal Europe: but there is no longer any shared perspective on the European issue. There are no shared ideological and theoretical foundations; and under these conditions it is easy to understand the difficulties of a synthesis at the political level. The slogan "another Europe is possible" cannot conceal the collapse of the Left on key issues such as the unique currency, the institutional architecture, and the relations with the other European countries.

There are other political difficulties in addition to those, ideological and analytical, that we recalled. The Communist Party has not entered the governments led by JM Ayrault and M. Valls. But the communists are allies of the Socialist Party in many regions, departments, municipalities. If at the national level the Communist Party opposes the strategy of building the bloc bourgeois led by the Socialist Party, it remains difficult for voters to consider it as a credible opponent. JL Mélenchon - presidential candidate of a *Front de gauche* which involved the Communist party - asked '*how is it possible that we become so illegible*'.<sup>12</sup> Mélenchon's response is related precisely to the electoral tactics of Communist party: '*the municipal elections in Grenoble, where a part of the Front de gauche has decided to run with the PS, is a mirror of the national situation. The technique of Communist leaders - who sometimes advocated an alliance with the PS, sometimes appropriated the Front de gauche - has dissolved our message*'.

But these tactical hesitations are only a part of the problem, and they are probably less important than the lack of a unified strategy on the European issue. A policy of structural reforms in line with the expectations of European partners (especially Germany) is central to the *bloc bourgeois* strategy. Any objection to such a strategy requires proposing an alternative project. The National Front proposes to voters a project which is frontally opposed to that of the *bloc bourgeois*; on the contrary, the split within the political and intellectual left explains its inability to occupy the social and electoral space of opposition to the *bloc bourgeois*.

## Conclusion

The front page of the newspaper Le Monde, February 8, 2012, was: *Mélenchon-Le Pen, the match of populisms*. Populism, namely '*a powerful protest movement, a form of resistance to the*

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<sup>11</sup> the Front de gauche is an electoral alliance among the Communist Party, the Parti de gauche and other political movements

<sup>12</sup> Interview published in the Dauphine Libere on Thursday 21 August 2014

*structural changes facing Europe*<sup>13</sup> would be growing in France as in many other European countries, in response to structural reforms which are deemed indispensable.<sup>14</sup> Le Monde proposed a simplistic opposition: On the one hand, the enlightened reason which cares about the long term and social well-being; on the other, the appeal to emotion, the immediate feelings of the people, with no vision of the future. Our analysis shows that the situation is very different and more complex. The new configuration of the political supply in France does not follow from the economic need for unpopular reforms, but from the political crisis that has been open for at least two decades, a crisis that is linked to the rise in unemployment and to the European issue (Amable, Guillaud and Palombarini 2012).

This crisis coincides with the fracture of the old social blocs, and led to a situation of high political volatility. The presence of a dominant social bloc is a functional need for a political system. The old social blocs were built around a left/right axis defined by the social expectations on the intensity of state intervention in the economy. The impossibility to reconstruct a dominant bloc based on this sole criterion produced an enlargement of the political conflict on the rules of the social game, namely social and political institutions.

The profile of the French social model is now involved in the political conflict. Structural reforms, and the European project which justify them, are not necessary for the common good (also highly questionable notion), but for the viability of the political project that aims for the construction of a new social alliance: the bourgeois bloc. And the rise of populism in France does not correspond to a short-sighted response to the costs of the necessary reforms; it is related to attempts to give political representation to the socio-economic interests sacrificed by the emergence of the bourgeois bloc.

In this theoretical framework, we can interpret the electoral success of the National Front. Under the leadership of Marine Le Pen, it adopted a program that is in frontal opposition to the bloc bourgeois, based on euro exit, the rejection of European constraints on fiscal policy, and the defence of the French social model. The action of François Hollande and the project of the "new" National Front, although strictly opposed, have this in common: they are attempts to build new social alliances that go beyond the right / left traditional axis (see Figure 1 here below), However, we can identify a real element of "populism" in the strategy of National Front.

We analyzed the complete reversal in the program of a party that - until recent years – had a blatant Thatcherite inspiration. But this deep change, which enabled the National Front to conquer a new support among the popular fraction of the former left bloc, was so far accepted by its old electorate. In the electoral base of the National Front, there are some incompatible expectations: two factors allow for the time to overcome this contradiction. First, some ambiguity related to the fact that the radical change in the program was done in the party elite's complete continuity. The fact that Marine Le Pen is the daughter of Jean Marie, still Honorary President of the party, symbolizes this continuity. The second factor – the populist element - is the position of the National Front on the immigration and cultural issues. The rejection of immigration is the only dimension that can unify an electorate in which we find simultaneously, for example, the "old" demand for a strong liberalization of the labour market, and the new and opposite demand for employment public protection.

Therefore, there is a fundamental difference between the bloc bourgeois and the National Front projects. The first is a coherent project, but based on policies that have a social and economic regressive impact: the bloc bourgeois has not become a dominant one. The second is based on a heterogeneous electoral base to the point that it is difficult to imagine that it would resist any experience of government.

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<sup>13</sup> D. Reynié <http://www.sciencespo.fr/newsletter/actu/?id=1262>

<sup>14</sup> see, eg, Aghion, Cohen and Pisani-Ferry (2006)

The bloc bourgeois and the anti-bloc bourgeois front are projects arising from the French political crisis, but it is far from certain that they can offer solutions to the crisis. The social base of the bloc bourgeois is too small; only a positive effect on the growth of structural reforms could help to expand it and to convert the bloc bourgeois into a dominant bloc. The anti-bloc bourgeois front has a broader social base, but it is constructed only in opposition to bloc bourgeois, on the rejection of the policies it advocates; there is no a strategy of mediation among the (contradictory) interest that bloc bourgeois sacrificed.

In this political landscape reconstructed around a new axis which connects structural reforms and participation to the European integration, what space is there for the Left? For a long time the Left has escaped the dilemma posed by the European unification (to accept or to reject it) by imagining a third choice: the fight for "another Europe". But this perspective has proven to be vain, and the Left - gradually forced to choose - exploded: from the federalist jump to the return to national sovereignty, the full spectrum of possible positions exists within it. With a political offer recomposed around these issues, the Left must find a common position if it wants to continue to exist.

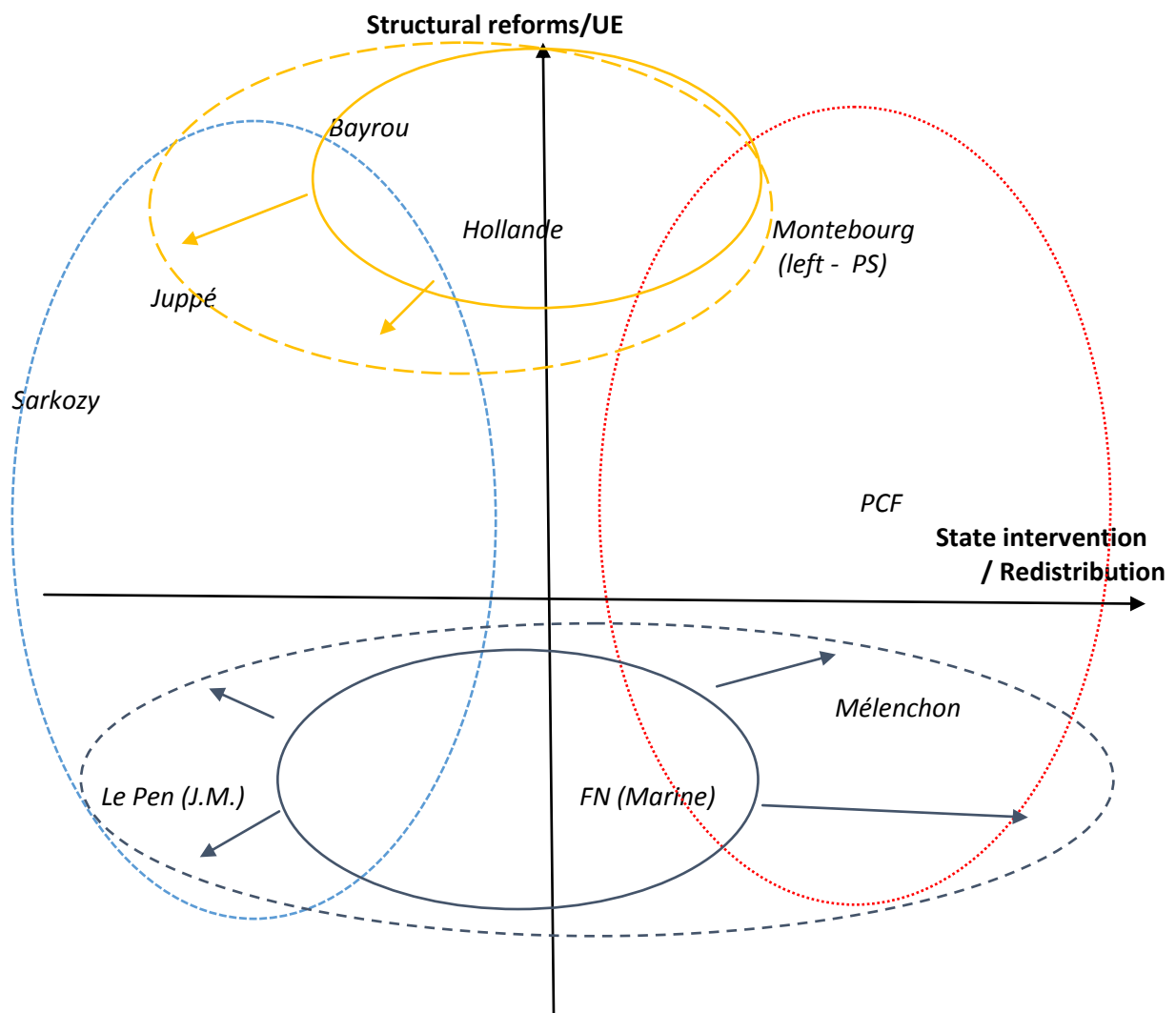


Figure 2. The break-up of the former right bloc (light blue) and left bloc (red) on the European integration issue. The opposition of the bloc bourgeois (orange) and the anti-bloc bourgeois front (grey blue) and their possible dynamics.

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## **Appendix. The estimation of the voting model using the French electoral survey 2012.**

The voting model estimates the probability of voting for François Hollande at the second round of the presidential election. The dependent variable is therefore dichotomic.

Explanatory variables are the following. The position in the social structure is mainly determined by six types of variables: sex, age, occupation, income and wealth levels, church attendance and the type of living environment. Men will be the reference category. Five age brackets will be taken into consideration: 18 to 24, 25 to 34, 35 to 44, 45 to 54 (reference category) and over 55.

Occupations will be defined with the help of the INSEE classification: farmers (reference category), managers, craftsmen and shopkeepers, high-skill public sector employees, high-skill private sector employees, medium-skill public sector employees, medium-skill private sector employees, foremen and technicians, public sector clerks, private sector clerks, service workers; skilled (blue collar) workers, unskilled (blue collar) workers, student, unemployed, retired.

The level of household income is individualised by dividing it by the squared root of the size of the household in order to account for possible intra-household economies of scale. The survey samples are then divided by deciles, and the first income decile is taken as the reference category.

Five wealth brackets are considered: under 7,000 Euros (reference category), between 7,000 and 75,000 Euros, between 75,000 and 150,000 Euros, between 150,000 and 300,000 Euros and over 300,000 Euros.

The church attendance variable will separate individuals who attend at least twice a month (churchgoers) from the others (reference category). The living environment will separate those who live in a rural area from the others (reference category).

Labour market risk is assessed thanks to the answer to the question whether it would be easy or difficult for the respondents or their partner to find another job should they lose the position they have. When the respondent has answered that it would be difficult or very difficult for her/himself or partner to find another job, the variable Household's employment risk takes a value of one, and zero otherwise. Another question concerns the likelihood of a decrease in household's income within the next 12 months. If this is considered very likely or likely, the corresponding risk variable takes the value 1.

The questions relevant for the policy expectations relate to general policy matters (taxes, income redistribution, public services, labour market regulation...). The following questions are taken into consideration.

Four degrees of appreciation of the nationalisations are considered, from very negative to very positive. "Fairly negative" will be the reference category. For the opposition to the single employment contract,<sup>15</sup> four answers from totally favourable to totally opposed are available. "Rather opposed" will form the reference category. An important social protection reform of the Sarkozy presidency concerned the pensions. The reform led to a significant union-led contestation in autumn 2010 and one electoral promise of PS candidate François Hollande was to partially reverse it. One question of the survey asked the respondent to appreciate the fairness of the reform, grading it between 0 and 10. For all variables of that type, the grade itself will be the explanatory variable. Two other questions deal with taxation and redistribution. One asks whether the respondent approves or

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<sup>15</sup> The proposition to replace all open-ended and fixed-term contract by a single open-ended contract with diminished protection was made by economists in the early 2000s (Cahuc and Kramarz 2004) and taken up in the respective manifestos for the presidential election of Nicolas Sarkozy (UMP) in 2007 and François Bayrou (MoDem) in 2012.

disapproves government intervention to reduce income inequalities. Five answers are possible: totally agree, rather agree, neither agree nor disagree, rather disagree (reference category), totally disagree. Another question asks the degree of approval of an increase in VAT (grading it between 0 and 10). The issue of increasing the VAT in order to finance social protection, allowing for a decrease in social contributions and a drop in the labour cost, had been a debate before and during the electoral campaign, opposing Nicolas Sarkozy, who was in favour of it, to the left, opposed to it. Finally three questions ask for the respondent position on strengthening the power of the EU vs. the power of the French state, increasing or decreasing the number of nuclear plants, and increasing or decreasing the number of civil servants. The answers are grades between 0 and 10 for the degree of support to the proposition.

In order to consider possible divides linked to culture and lifestyles, besides those based on economic policy issues, as in the now popular bi-dimensional representation of the political space (Kitschelt, 1993, 1994), variables reflecting social values have been incorporated in the analysis. According to the bi-dimensional view, a new cultural divide, not independent of social structural determinants, opposes authoritarian values and communitarian conceptions of justice to the values of cultural liberalism, internationalism, and gender equality (Bornschier, 2010). This would split the traditional left and right social bases.

Social values are identified with the help of four questions, asking about the approval with the following propositions: homosexual couples have a right to adopt children; in a society, there must be a hierarchy with leaders; the unemployed could find a job if they really wanted to; there are too many immigrants in France. Categorical variables corresponding to approval are included in the model.