The Rise and Fall of French Socialism

France was once the heartland of revolution. Today, its left is battered, and its far right is rising. To understand why, we have to look at François Mitterrand's socialist government's turn from radical reform to neoliberal austerity in the 1980s.

After François Mitterrand's 1981 victory, thousands descended on the Place de la Bastille.

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The history of French socialism is filled with famous and heroic dates: 1789, 1848, 1871, 1936, 1968. But less well remembered is another date of great significance: 1981. It was in May of that year that the French left achieved its greatest electoral triumph of the postwar era, with the election of Socialist Party (PS) leader François Mitterrand as president of the republic. That victory, which came after a quarter century of uninterrupted conservative rule, raised hopes for a new departure in French politics. Mitterrand's election manifesto, the 110 Propositions for France, embodied the sweeping reform agenda he had promised since ascending to the leadership of the PS a decade earlier, when he memorably capped his speech at the Party's 1971 Congress with a thunderous call for a "rupture" with capitalism. As head of the PS, Mitterrand's decision to pursue an electoral agreement with his longtime rivals from the Communist Party (PCF), which resulted in the 1972 "Common Program," was both a milestone for the postwar French left, and an important step in his own rise to the Elysees Palace.

Mitterrand's election in the spring of 1981, and the subsequent triumph of the Left in parliamentary elections which followed immediately afterwards, led to the formation of a government under Prime Minister Pierre Mauroy that was more radical than any France had seen since Leon Blum's Popular Front in 1936. For the first time since the start of the Cold War, Mauroy's cabinet included four Communist ministers. Once installed in office, the new government moved quickly to make good on the Left's campaign promises, introducing a dizzying array of reforms in the weeks and months that followed. Among these were an extensive series of nationalizations, which put dozens of major firms and numerous strategic industries (including the entire banking sector) in the hands of the state; a 40 percent increase in the minimum wage; a reduction in the legal workweek to 39 hours (with the promise of additional reductions to follow); a host of new powers and protections for French trade unions; welfare state expansion the creation of thousands of additional public sector jobs employment; plus abolition of the death penalty, and reform of the legal code and education system.

In many ways, this reform agenda was indicative of the leftward turn of European social democracy during the 1970s. In the face of growing economic difficulties and widespread labor militancy across the region, left parties and trade unions throughout Western Europe adopted increasingly ambitious reform plans. In France, where the crisis was particularly acute, that radicalization was the backdrop to Mitterrand's rise during the 1970s, and continued to shape the outlook of his administration during its first year in office. In this initial, reformist phase, the government pursued an economic program which, though it may not quite have constituted the promised "French road to socialism," was at least a kind of augmented Keynesianism, in which wage and employment growth was prioritized, disposable income rose sharply, and the tools of state-led economic development that had long been central to French capitalism were turned toward a left-wing, pro-labor policy agenda.

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Within a year, however, the government's efforts to find a reformist route out of the crisis began to collapse. In the face of growing economic problems, and significant pressures on the franc, Mitterrand put his economic agenda on pause. In June 1982, the government announced a spending and wage freeze, and moved to devalue the French franc (which, under the terms of then-existing European Monetary System, was pegged to the German Deutsch mark). The following spring, Mitterrand effectively turned this pause into a U-Turn. Facing calls from both foreign officials and leading voices within his own government for more drastic action to restore monetary stability, he relented. Despite objections from left-wingers in the cabinet, the president announced a further devaluation of the franc, along with more drastic austerity measures. For Mitterrand, this course reversal marked a new phase of his presidency: by the end of 1984, the Communist ministers were gone, and price stability, not employment, had been officially declared the government's top economic priority.

The fallout from these events continues to shape French politics today. Mitterrand's austerity turn embarked France on a now almost four-decade-long process of economic restructuring. Liberalizing reforms have been introduced by governments of both the Right and the Left. For the PS, the consequences have been dire. The political costs of this rightward drift can be seen in the electoral fall the party suffered in 2017. For the rest of the Left, however, the impact has been even more catastrophic: for the Communist Party (PCF), long the dominant force in the left and labor movement, Mitterrand's election and subsequent U-Turn contributed to a long-term drop in membership and electoral support. The traditionally Communist-led union confederation (the General Confederation of Labor, or CGT by its French initials), shrunk by more than half during the 1980s, and by the mid-1990s it had severed its links to the PCF. Conversely, the far right, which achieved its first electoral breakthrough in the 1984 European elections that followed on the heels of Mitterrand's austerity turn, has managed to grow rapidly, in part by winning over voters in de-industrialized regions and working-class communities that once were bastions of the socialist left. Today, far right leader Marine Le Pen has emerged as the leading opponent of incumbent President Emmanuel Macron and his primary competitor in the 2022 presidential election.

The interviews published here offer a unique perspective on the early years of Mitterrand's presidency, from three observers who witnessed them firsthand. They include Anicet Le Pors, former PCF senator and minister of civilservice and administrative reform in Mitterrand's first cabinet; François Morin, professor emeritus of economics at the University of Toulouse 1 Capitole, and previously an adviser to Mitterrand's first prime minister, Pierre Mauroy; and Roger Martelli, a former member of the leadership of the French Communist Party, and now coeditor of the magazine *Regards*. What these interviews provide is not a full picture or detailed recounting of the period 1981–1983, but a fascinating picture of the trajectory of French socialism in the second half of the twentieth century.


François Mitterrand.
The French left of this period was shaped by the tumultuous politics of the postwar decades: those decades began with high hopes, following France's liberation from Nazi rule, which soon gave way in the face of growing Cold War divisions. Throughout the 1950s, those divisions split labor and the Left in France between a large and powerful, but politically isolated communist movement, and a smaller group of moderate parliamentary socialists, who competed with one another to secure positions in the unstable coalitions that governed the Fourth Republic. More than just a political party, the Communists controlled what Roger Martelli rightly calls a "galaxy of organizations" including France's biggest labor confederation, the CGT. In size and support, it far surpassed its counterparts on the moderate socialist left. But, in the context of the Cold War, its support for the Soviet Union made it an anathema in French politics, ensuring its total exclusion from national office.

In the 1950s, the political crisis that resulted from France's bloody, and ultimately unsuccessful, colonial wars in Indochina and Algeria, brought these tensions to a head, precipitating a coup which returned General de Gaulle to power in 1958. That coup led to the death of the Fourth Republic and the rise of a Fifth, with authority now vested in a strong president. During the 1960s, de Gaulle's stranglehold over the presidency and the dominance of his brand of conservative nationalism over French politics kept the Left in a position of permanent opposition. But the very success of the Gaullists in these years also set the stage for the unprecedented explosion of strikes and protests that marked the month of May 1968. Despite the defeat of that movement, and the crushing defeat de Gaulle handed the Left in elections held latter that June, the legacy of 1968 would continue to influence the direction of French politics: in the 1970s, its impact was felt in a series of major reforms to institutions like the welfare state, and in the enormous wage concessions won by French workers. These developments were compounded by the emergence of growing economic difficulties in France in the decade before Mitterrand's election. In the 1970s, French capitalism was plagued by rising unemployment and inflation. Falling growth rates, reflecting the declining competitiveness of French manufacturing industries, and the onset of rising joblessness,signaled the end of the postwar *trente glorieuses*, the three decades of rapid economic expansion and full employment after WWII. In response, conservative governments of the 1970s alternated between austerity and expansionary economic policies, while attempting to use the traditional tools of France's state-led development model to restore the economy to health. This model had involved government directing economic development by means of "indicative planning" and support for priority industries and firms (known as "national champions"). While state-led development forged close ties between business and officials in the powerful national state, it largely excluded organized labor. Since the Communists controlled the largest trade union confederation, government officials sought to limit the power and autonomy of labor by making unions dependent on the state for recognition, financing, and the extension of collective bargaining coverage.

The upshot was that France developed few of the institutions we associate with postwar social democracy elsewhere in Europe. It lacked the centralized trade unions, and encompassing wage bargaining systems that characterized Scandinavia, for instance. Instead, questions that elsewhere were settled through collective negotiation were determined by state officials. Meanwhile, the combination of full employment and widespread tensions between labor, on the one hand, and big business and state officials, on the other, pushed French trade unions toward greater militancy, particularly in manufacturing industries where the Communist-led CGT was strong. The flip side of this industrial militancy was the competition between the unions, who were forced to compete for members and influence in the same industries, due to the absence of the closed shop. As a consequence, high strike rates went hand in hand with the organizational fragmentation of labor, with the trade unions sharply divided along confederal lines.

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During the *trente glorieuses*, these arrangements produced considerable levels of shop-floor conflict, and constant stop-go dynamics in the economy, which fluctuated between periods of rapid (but inflationary) growth and government-engineered slowdowns intended to curtail inflation. Mitterrand's election in 1981 marked both a continuation and a break with this pattern. On the one hand, the new government continued to expand the scope of state intervention via large-scale nationalizations and the extension of additional subsidies to business, as well as the further growth of the welfare state to buffer workers from the threat of joblessness. On the other hand, his Socialist Party was committed to bringing social democracy to France: for example, the new legal rights instituted by the government's Auroux Laws enshrined many of the trade unions rights and protections labor enjoyed in other parts of Western Europe.

The three interviews published here highlight the evolution of the French left after

1968, and specifically the changing relationship between the Communist and Socialist parties. Traditionally, that relationship had been marked by suspicion and hostility on both sides. In the years after WWII, when the PCF's dominance over the French left and labor movement was at its height, relations with the Socialist left were particularly strained. But from the mid-1960s on, that began to change. While suspicions remained as deeply rooted as ever on both sides, it became increasingly clear that neither the PCF nor the moderate non-Communist left could challenge de Gaulle alone. Only a union between the two currents could win an electoral majority. This convergence also reflected a change in the balance between the Communist and non-Communist left. In the aftermath of May 1968, French socialism's leftward turn helped set the stage for a rapid increase in the size and influence of the non-Communist left. In the labor movement, these changes were reflected in the rise of the CFDT (French Democratic Confederation of Labor) as a left-wing competitor to the Communist-led CGT. In the political arena, this process was given a major boost by the amalgamation of the reformist left into a unified Socialist Party in 1969. Joined by Mitterrand two years later, the newly formed PS became the vehicle for Mitterrand's presidential ambitions (before winning in 1981, he ran unsuccessfully in 1965 and 1974). Mitterrand always hoped to supplant the Communists as the leading force on the French left. But he understood that electoral success depended on an alliance with the PCF. Unlike the Communists, he also understood that he would be the key figure in, and main beneficiary of, such an alliance.

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In 1972, these considerations led the PCF and PS to negotiate an electoral agreement known as the Programme Commun, or "Common Program." In retrospect, it's clear that Mitterrand and the socialists were the primary beneficiaries of this agreement. As Martelli notes, the Common Program was "the end of the Communist Party's dominance in the French left, but at the time we didn't know it." Politically, the program reflected the Left's radical reformist turn during the 1970s. That reformist turn did not necessarily imply a full-scale assault on the foundations of capitalism, but a significant deepening of the institutional restraints on the market. Thus, while calling for a transition to socialism, the Common Program actually centers on a series of measures to modernize and restructure French capitalism, using many of the tools French planners had employed for decades. As Martelli points out, this was fundamentally a radical Keynesian program. It rested on a strategy which promised to use state intervention to maintain employment, and kick-start economic growth by increasing disposable income and thus consumer demand. Le Pors notes that the Program reflected the PCF's single-minded focus on nationalization as the cure for all of French capitalism's problems, of which he is highly critical. "The Socialists only agreed to nationalize because they saw it as a condition of preserving the Union of the Left," he says. "They were ideologically overpowered."

The Common Program did not survive the growing tensions between the PCF and PS, whose alliance would collapse in acrimony in the late 1970s. But it would later become the template for Mitterrand's 1981 electoral manifesto. Introduced at a time when French capitalism was being devastated by another global economic slowdown, that manifesto laid the groundwork for a renewal of Communist-Socialist unity in 1981, on the basis of joint support for Mitterrand and a common electoral front for parliamentary elections. While the Keynesian program Mitterrand adopted during his first year in office prevented France from sinking into an even deeper recession, it also contributed to double-digit inflation and a ballooning trade deficit. Mitterrand's reforms, which gave a substantial boost to real wages and household income, fueled the growth of prices and increased imports of everything from cars to household appliances. Meanwhile, rising public expenditures, driven in large measure by the cost of subsidizing unprofitable firms, especially in the recently nationalized industries, exacerbated the state's fiscal problems.

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By 1982, these considerations were leading influential voices within the administration to call for a retreat from Keynesianism. The interviews only briefly describe the battles this provoked inside the government, which pitted those who advocated continuing with the government's reform agenda, even at the cost of exiting the European Monetary System (EMS), against those who counseled restraint and the need for austerity to restore fiscal stability. Presented with the option of either reversing course or leaving the EMS, Mitterrand at first vacillated, and then decisively chose the former option.

Mitterrand's about-face inaugurated forty years of economic liberalization and trade union decline. After 1983, the government never quite recovered from the internal divisions or loss of public support that ensued. In subsequent years, a series of cabinet reshuffles would see the Communist ministers and the Left depart, and more moderate figures take their place. But these changes did not save it from suffering a defeat in the 1986 parliamentary elections, leading to two years of "cohabitation" between Mitterrand and his conservative Prime Minister, Jacques Chirac.

In many ways, the Mitterrand experience is a microcosm of the fate of the entire social-democratic left in Western Europe since the 1970s. As inheritors of this history, we are left wondering whether a different outcome was possible — in France and throughout the continent. None of the interviewees hold out much hope for the Left to continue down the path of Mitterrand's first year in office. Martelli notes that timing of the government's election intensified its isolation: "At the very moment that the Left gained power in France, it was defeated everywhere else." Economic globalization, and France's dependence on foreign trade for many essential goods, meant that this unfavorable political situation had very direct, material consequences. For instance, because the governments of the United States and West Germany refused to take steps to reduce the value of their currencies relative to the Franc, imports of items denominated in dollars and deutschmarks became increasingly costly.

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Adding to these difficulties was the growing power of finance after the collapse of the Bretton Woods monetary system. Morin points out that “as long as global markets were able to attack the currency, we would not be able to carry out the reforms.” By March 1983, Morin says, “the continued speculative attacks led the party to take budgetary measures to reign in public finances and regain monetary credibility in the eyes of the global economy.” France’s vulnerability to financial speculation was also compounded by its membership in the EMS. By tying the value of the franc to the German deutschmark, the EMS limited the government’s ability to steer domestic economic policy. Since they had to keep the value of the franc high enough to maintain the peg, French officials were under pressure to control the growth of wages and domestic consumption. All of this meant, Le Pors concludes, that “we were faced with a capitalism that was so financially internationalized that we had no leverage to change the course of things. If you combine the influence of the United States, UK, and Germany, there was not much France could do.”

Fundamentally, however, it was not globalization that doomed Mitterrand’s Keynesian economic strategy. The underlying issue was that, no matter how many companies the government nationalized or how much it spent subsidizing ailing industries, French producers remained unprofitable and uncompetitive. Companies that had traditionally been highly favored “national champions” now became a drag on the economy and a drain on the state’s coffers. As losses in the nationalized industries mounted, government officials struggled to manage their growing portfolio of state-owned enterprises. The lack of private investment, the high levels of unemployment, and the growing costs of social welfare all meant that the government had to do more with fewer resources. Mitterrand thus found himself in a bind: the weaknesses of French capitalism, which brought him to power on the basis of his left-wing reform program, also limited his ability to carry out that program.

In light of these realities, it is unsurprising that Mitterrand chose not to continue down the difficult and risky road of reformism. Under enormous pressure from forces inside and outside the government to reverse course, he abandoned the 110 Propositions for France in favor of austerity. Given the deep divisions within his government this was unavoidable. Whether or not he was correct, the experience of his administration exemplifies both the fate of Europe’s social-democratic left in the 1970s, and more fundamentally, the inherent dilemmas of reformism within a shrinking economic pie. Traditional demands for wage equality, full employment, a robust social safety net, and greater workplace democracy have always depended on the existence of a favorable economic climate. The problem, however, is that merely by pursuing its reform agenda, a left government can simultaneously undermine the conditions necessary for its own success. In part, this is due to the reforms themselves: nationalizing unprofitable firms, for instance, saves jobs and keeps important industries intact, but it also forces the state to bear the cost of financing them. It’s also due to the structure of power within our societies. Since business, regardless of how well organized or coordinated, can exert leverage over the state, merely by halting investment, it has an enormous political advantage over other groups.

The degree to which these constraints prevent structural reforms varies: not every country that elects a left government faces the same circumstances as France in 1981. What the Mitterrand experience demonstrates, however, is that the more ambitious the Left's reform plans, and the more dire the situation in which it takes power, the more quickly it will run up against the limits of what capital will accept. Overcoming those barriers requires a high level of organization and internal unity on the Left, a strong social base, and the active support of labor. But it also requires the right circumstances—something that didn't exist in France in the early 1980s.

At the same time, Mitterrand shows that if the path of radical reformism is challenging and uncertain, the alternative has been disastrous. The three interviews conclude on a pessimistic note about the future prospects for the French left. Despite sometimes impressive mobilizations over the past three and a half decades, it has never recovered from Mitterrand's course reversal. In this sense, it is still paying for the failure of his brief experiment in radical social democracy.