The changing dynamics of state-society relations in the fifth republic

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The vision of state-society relations was clear at the inception of the Fifth Republic. The state would lead, society would follow. Guaranteeing this were the institutions, with a strong presidential model of parliamentary government to ensure against paralysis, as much as the men, with de Gaulle in the lead. Forty years later, both the state and society have changed. The state is no longer so certain of its leadership capacity, even though it often still tries to operate autonomously, in the old ‘heroic’ leadership style. Society is no longer so willing to be led, despite the fact that it has not for the most part sufficiently organised itself to take the lead.

Change in state-society relations has been more pronounced in certain arenas than in others. Major transformation has occurred in particular in those arenas where the relationship between state and society has traditionally been closest, as in the relations between business and government. In other arenas, by contrast, the lack of change remains a serious problem, as in labour relations, in particular in the public sector. In such arenas, where the state has traditionally imposed on an often reluctant society, the relationship has remained difficult, and represents the greatest impediment to further positive development.

Generally, however, the state has modernised its societal relations, providing more efficient public services to the citizenry at large through a downsized bureaucracy, and liberalised them, allowing greater liberty to the individual, greater play to organised interests, and greater independence to business. The state has also loosened its control over the institutions that can serve as counterbalance to the executive, by allowing for the greater autonomy of sub-national authorities, by providing for the greater freedom of the press, and by establishing independent regulatory agencies in a wide range of areas. And yet, the technocratic nature of the state, with its domination by an administrative elite, remains, as does the periodic re-emergence of the old heroic policy style, in which the state formulates
policy largely without significant input from societal interests, but then accommodates them in the implementation, or risks confrontation.

Increasingly in recent years, moreover, another major actor has interposed itself between French state and society. The European Union, with its own set of institutions and model of state-society relations, has increasingly served to alter the traditional balance in French state-society relations by allowing greater access and influence at the European level to French societal interests at the policy formulation stage and by reducing the flexibility of the state at the implementation stage.

STATE-SOCIETY RELATIONS IN FRANCE: AN OVERVIEW

France has long had a history of state centralisation and societal disorganisation, one in which the state structured its relationships with society, legitimating as it subordinated those groups with which it chose to deal, and ignoring the others, which found strength primarily in periodic moments of rebellion. This state-society relationship, in which the state acts and society reacts, and where the state is typically strong and assertive while society is weak and submissive, derives in large measure from France's centuries-old history of governmental centralisation and insulation from the political community.

The modern, democratic version of this relationship reached its pinnacle in the Fifth Republic, when the historical pattern was reinforced by institutions that ensured the state all the necessary instruments of government leadership and societal control by establishing a unitary state in which the executive, supported by an able technocratic elite, has tremendous powers over the legislature, judiciary, and sub-national units.2

Despite the changes that have occurred across the 40 years of the Fifth Republic, as the state divested itself of its powers in certain spheres, loosened its control over others, lost its capacity with regard to yet others, and generally liberalised, the relationship of stronger state to weaker society remains because the state retains sufficient institutional resources to impose on a society that is insufficiently self-organised.

In France, where the understanding of the role of the state is Jacobin, which means that elected governments are mandated to carry out the will of the people directly, without the mediation of other interests, organised interests are by their very nature suspect because they violate principles of democratic equality and electoral accountability. Unlike in pluralist or corporatist polities, where organised interests are seen to have a legitimate voice in policy formulation and a right to perform governing functions in a
wide range of spheres, in ‘statist’ France, the public good is seen as something above the pressures of interest. Interest group pressures on government are therefore generally regarded as illegitimate while comparatively few organised interests are granted self-governing functions.

This has a long history, beginning with the Le Chapelier Law of 1791, which outlawed all intermediary bodies, and was only rescinded in 1884. Yet even once interest groups were allowed to be formed without prior government authorisation, as of 1901, they continued to be viewed with some suspicion not only by government but even by the population at large. In consequence, France lacks not only the wide variety of self-organised, active interest groups with widespread support found in a pluralist polity like the United States. It also lacks the strong peak associations necessary to bargain as equals with government found in ‘corporatist’ polities such as the smaller European countries or Germany.

Social protest movements, by contrast, which are quickly organised and as quickly dispersed, are much more the French model, with confrontation, whether by such protest movements or by organised interests unhappy with government decisions, considered a legitimate, and sometimes the only, way to be heard. And this, in turn, is generally greeted either by government appeasement or repression.

The policy process that emerges from this state-society relationship is one in which the state acts, often by formulating policy unilaterally, without prior consultation with those interests most affected by the policy, and society reacts, as often as not by resisting the policies imposed by the state. In the face of societal resistance, moreover, the state may accommodate such interests, by developing common strategies for implementation, may be co-opted by such interests, by allowing those interests to devise their own implementation strategies, or may refuse to co-operate with those interests, and therefore risk confrontation. As a result, the state that appears strong with regard to society in policy formulation, as it announces ‘heroic’ policies with great fanfare, can appear weak in policy implementation, as it adjusts policies in response to societal concerns or even backs off policies in response to protest. Such weakness can sometimes also extend to policy formulation, in sectors where accommodation begins already at the formulation stage and societal interests hold sway, so much so that the heroic policies are replaced by ‘everyday’ policies.

In policy formulation, certain policy sectors have traditionally been more subject to heroic policy making, such as industrial policy until the late 1980s and labour policy still today, than others, in particular those characterised by everyday policy making. In sectors such as education
policy, agricultural policy from the early 1960s to the early 1980s, and local government policies up until the early 1980s, the periodic attempts at heroic policy making were for the most part doomed to failure because of the historical strength and cultural importance of well-organised interests. In these sectors, societal interests generally got their way through everyday policy making, whether by helping to shape government policies, as did the farmers between the late 1960s and early 1980s; by blocking government policies, generally the pattern of the teachers; or by co-opting government policies, the case of the complicitous relationship between prefects and local elected officials prior to the reforms of the 1980s; and of the notaries public to this day.

In sectors characterised by heroic policy making, by contrast, societal interests have had to wait until the implementation stage to get their way, since they have few ways into a formulation process centred on the top reaches of central ministries, if not in the prime minister's or president's office. And here, too, there are differences among sectors, with some having typically experienced greater accommodation than others. Thus, whereas in the industrial policy sector business generally benefited from accommodation with government, in large measure because of the traditional closeness of ties between big business and government, in the labour policy sectors, where the ties have traditionally been much more distant, confrontation has more often been the norm.

Even where there have been close ties and everyday policy making, however, confrontation may occur when highly organised interests no longer get their way, as the French farmers during the General Agreement on Tariffs and Trade (GATT) negotiations. Finally, confrontation is the only recourse for interests which have little ongoing organisation and minimal ties to government, as in social protest movements such as those that have periodically served to mobilise students against successive attempts to reform the university. Yet what this means is that sectors that are desperately in need of reform go wanting, because major reform initiatives are dropped time and again as government shows itself to be impotent in the face of protest.

This overall pattern of policy making has been facilitated by the administrative state, in which state trained, elite civil servants not only elaborate the laws under government guidance and without necessarily consulting the most affected interests; they also implement them. And in the implementation process, these civil servants have tremendous administrative discretion - so much so that exceptions are granted as often as not. In de Tocqueville's oft repeated phrase, 'The rules are rigid but the application flexible.' This is clearly in contrast to regulatory models of
implementation such as those of the United States and the European Union, where exceptions are viewed as illegitimate.\textsuperscript{13}

Yet even when civil servants are unwilling to grant exceptions, societal interests nevertheless often triumph, generally because they are able to take advantage of interministerial rivalries. The strong state, in other words, is not only weak because it capitulates to societal interests in the implementation but also because it is highly fragmented both between ministries involved in implementing major policies and within ministries.\textsuperscript{14}

Over time, however, economic and institutional reforms have served to moderate or 'soften' this overall pattern of state-society relations, in particular through the decentralisation of executive power, functions, and financial resources to the benefit of the periphery; through the deregulation of government rules concerning business and the privatisation of nationalised enterprises; through the liberalisation of the regulations governing the media; and through the modernisation of state administration, the rise of independent regulatory agencies, and the growing independence of the judiciary. At the same time, moreover, society has changed, having become more organised and active, with the rise of associations; having come to expect more consultation and concertation; and therefore having become more restive in response to any state imposition. The restiveness is particularly evident in those areas where few economic and institutional reforms have been introduced or, having been introduced, have been unsuccessful, as in employment and social policy.

European integration has been an added source of disruption to the traditional pattern of state-society relations, by diminishing state autonomy in policy formulation and state flexibility in policy implementation.\textsuperscript{15} At the formulation stage, the French state has lost autonomy not only because it is no longer the sole authority in the land, given the priority of EU law and institutions (in particular the EU Commission and the European Court of Justice), and that it is only one of 15 member-states in the Council of Ministers approving laws that apply to France, but also because the EU has allowed national societal interests into the European policy formulation process.

The openness of the EU to interest representation has enabled societal interests that were (and often still are) subordinated to government in national bargaining to become quasi-independent supranational actors that are most often partners with government in supranational bargaining, although they can even be adversaries. Big businesses in particular now find themselves partners rather than supplicants of French ministries in national lobbying efforts.\textsuperscript{16}
Regional governments, moreover, which have themselves only recently gained significant powers of their own, have a direct relationship with the EU unmediated by the national government. Other interests, however, such as labour and consumer groups, which have been traditionally weak, have been slower to organise themselves effectively at the EU level, and have much less access or impact.

At the implementation stage, the French state has lost flexibility mainly because the European regulatory model, which demands that European laws apply equally to all and without exception, proscribes the administrative discretion that has been the state's way of responding to societal interests in the policy process. This closure to interest accommodation in the national implementation of European policies has effectively undermined the very way in which the state has traditionally managed interest representation.

For business and other interests which have access to and influence in European policy formulation, the loss of accommodation and co-optation at the implementation stage is not so serious. For those interests which for whatever reason lack access or influence at the European level, by contrast, the loss of accommodation and co-optation is likely to lead to increased confrontation with a state that no longer has the option to capitulate in response to protest. And because these are often (but not always, viz. the farmers in the GATT) also mainly the interests that have benefited the least from the economic and institutional reforms that have softened the hard edges of traditional state-society relations, European integration may exacerbate those very French state-society relations that have been most problematic.

Whatever the changes, for the better or the worse, the overall pattern of state-society relations for the most part remains, given a still centralised state served by an elite corps of civil servants that largely continues to seek to structure and control its relations with a still disorganised society that in many spheres continues to follow the pattern of submissiveness punctuated by explosions. Most importantly, perhaps, the economic and institutional changes have done only a little to dispel the suspicion with which governments have traditionally greeted societal interests, although this is more true of societal interests in certain arenas than others, and is often related to how close a relationship they have historically had with the state. For the closer the traditional relationship, the more willing the state has been to reform state-society relations through the transfer of state power to society.

This was the case for centre-periphery relations beginning in the early 1980s, where reforms beginning in the early 1980s transformed local
government. It has also largely been the case for business-government relations with the reforms beginning in the mid-1980s. But it has most definitely not been true for labour-government relations.

**BUSINESS-GOVERNMENT RELATIONS**

The state’s general suspicion of societal interests, reflected in its concern to subordinate and control them in order to ensure the public good, has affected all areas of state-society relations, but for different reasons. As noted above, organised societal interests were outlawed until the 1880s, mainly for fear of sedition, and continued to be seen as illegitimate thereafter because they undermined Jacobin notions of democracy. Local authorities were held in tutelage by the state until the early 1980s, mainly because of fears that local liberty would constitute a threat to national unity. Business was also subject to a virtual tutelage of the state until the reforms beginning in the mid-1980s. Here, state suspicion had less to do with the fear of sedition or of secession than of incompetence.

The experience of the Third Republic and the quick collapse of the country in the face of the Nazi onslaught at the beginning of the Second World War left the state convinced that it could not trust business to move the country and its economy forward. The modernising state of the post-war period felt that the only way to promote growth was for the state to lead, and business to follow. Thus, the state sought to lead business first through planning and later increasingly through industrial policy, as well as by way of a relatively large, well-developed nationalised sector. This dirigiste or directive role began during the Fourth Republic but it reached its apotheosis during the Fifth, in particular at the time of the nationalisations and interventionist industrial policies of the early 1980s.

By the mid-1980s, however, state dirigisme began its decline, the result of reforms related to deregulation and privatisation that, however dirigiste they were in policy style, nevertheless progressively took away the state’s dirigiste capability. The state-society relationship with regard to business and government has really changed as a result of these reforms, with business now more independent of the state and interdependent such that business now leads itself more and the state directs it less.

This has not stopped the state from exhibiting dirigiste impulses, however, in the more limited sphere in which it still has impact, in particular with regard to enterprises in strategic areas or in trouble along with still-nationalised firms in the public service sector. And it has not rid business of state influence entirely. For although the state no longer has as much
power over business through its policies, given deregulation and privatisation, its personnel continue to predominate as heads of business, given the move of career civil servants into top positions in top firms, private as much as public.

In the earliest years of the Fifth Republic, the industrial planning process, which had begun in the Fourth Republic, was the state's primary instrument of economic modernisation. It involved a close business-government relationship that was characterised primarily by mutual accommodation: Government officials took the initiative in determining the overall objectives of the plan and in organising its implementation, set the goals and strategies in formal consultation with business, and implemented the resulting programmes in such a way that, while business benefited greatly through public investments, the planners had a variety of institutional mechanisms to ensure that business 'voluntarily' followed their recommendations.

Over the course of the Fifth Republic, however, industrial policy increasingly became the state's preferred means for effecting economic change and influencing business, overshadowing planning which was proving less and less effective as it became more and more ambitious and politicised. Industrial policy was more 'heroic' than the planning process, since private interests had no formal part in the policy formulation process.

Under de Gaulle, planning was combined with a particularly heroic industrial policy that encouraged concentration among companies in order to create 'national champions'; established new public enterprises in strategic areas such as computers and aerospace; and instituted grands projets, some of which were successful, others of which were white elephants.

Under Giscard d'Estaing, planning was subordinated to the government's official industrial policy which sought to create leaders in particular sectors of the international economy, and to its unofficial policy of bailing out companies on the verge of bankruptcy. All such industrial policies, however, were implemented in a manner that was just as accommodating as the national plans.

In fact, increasingly as this first part of the Fifth Republic drew to a close, government led less, and accommodation came to be replaced more and more by co-optation. This was as much the case for national plans – in particular the Sixth Plan, in which the policy recommendations of the CNPF, the main employers' association, oriented the final product as for the sectoral plans, especially in the case of the steel industry, characterised by a 'corporatist-style collusion'. Even without this level of co-optation,
however, other sectors of industry also got what they wanted, including the electronics industry, where the state took the risks while the enterprises disposed of the profits, and the oil companies. In these cases, as in many others such as nuclear energy, armaments, and aerospace, though, by contrast with steel, computers, and Concorde (in financial terms), although the relationship was also characterised by co-optation, it was for the most part effective in terms of policy outcomes.25

As a general rule, companies could basically do what they wanted as long as they did not need state funds.26 Where they did need state funding, as in the case of monopolistic public firms in the transportation sector such as Air France and SNCF (national railway), they as often as not had to bow to government demands or suffer government delays on approval for new projects. This was also true of industries in less concentrated sectors facing economic downturn, such as textiles, machine tools, and computers, where the interventionism was also generally unsuccessful.27 Only with the national champions that were already well established did industrial success go hand in hand with relative industry independence from government interference. And here, government policy makers had difficulty exerting control, lacking leverage by virtue of their size and their frequent lack of competitors.28

Accommodation and co-optation in the implementation of industrial policy and planning were facilitated by state fragmentation, which allowed businesses to play off one ministry against another, as well as by the personalistic nature of ministry-industry relations, where high-level government officials and top managers tended to negotiate on major firm-related issues. Because a majority of top managers shared with top officials old school ties, membership in a prestigious civil service corps, and government experience (CEOs were – and still are – as often as not themselves former top civil servants who moved over into top positions in business, public or private), CEOs in both public and private sectors had significant leverage.29

But even where shared state background and experience was not at issue, CEOs carried great weight as a result of their positions at the head of the relatively small number of large firms and of their technical expertise. By the same token, however, government officials also had great power to persuade, not simply by their elite status but also by their specialised knowledge; their institutional clout – administrative and financial; and their ability to appeal to business heads’ patriotism, that is, their willingness to act in the public interest.

Little changed in the overall pattern of business-government relations with the advent of the socialists to power in 1981, even though heroic policy
making returned full force with the nationalisation and restructuring of major firms. Nationalisation epitomised the return of dirigisme, since an extremely restricted group within the government determined the industries to nationalise and formulated the industrial policy which proposed a massive restructuring of the nationalised enterprises through vertical integration, recapitalisation, and streamlining of operations through the elimination of jobs and the closure of obsolete plants where necessary. And yet, even in the restructuring process for the nationalised industries, the state left internal decisions up to the firm while it exercised varying degrees of control over industry, with much accommodation even where there was a high degree of interventionism, as in the steel industry; some co-optation, in particular with regard to internationally competitive companies; and only the occasional confrontation, as in the cases of Saint Gobain and Rhône-Poulenc.

Moreover, by 1983 the Ministry of Industry returned to its traditional respect for the autonomy of public enterprises, with most internal management decisions left up to the firms themselves, and with the firm’s goals and objectives and the state’s commitments set by negotiated contracts between the state and the public enterprises.30

Privatisation under the neo-liberal government of 1986 to 1988 was as heroic as nationalisation, with the major outlines having been sketched out even before the right took office and with even less consultation than the socialists. But although privatisation involved minimal consultation on the choice of firms to be privatised and only somewhat more on the memberships in the noyaux durs (‘hard core’ investors who held up the 15 to 20 per cent of shares in a firm), most participant firms with only a few exceptions were satisfied with the outcomes, and therefore did not see the process as highly dirigiste as a result.31 Privatisation itself, needless to say, altered the relationship between business and government significantly, since privatised firms were, for obvious reasons, no longer subject to the state’s tutelle or to close ministerial scrutiny.

Deregulation, moreover, which had actually begun under the socialists but accelerated under the right, was also dirigiste in style, but anti-dirigiste in content, since it essentially stripped government of the policy instruments it had in the past used to gain business compliance, in particular through the opening of the financial markets, the lifting of price controls, the abrogation of barriers to competition, the easing of sectoral rules governing business, and so forth. The independent regulatory agencies that were set up in a range of deregulated areas only added to this, since they created intermediate bodies between government and business that were insulated
from the state administration while they operated at arm’s length from business.

For governments from 1988 forward, the direction of economic policy was set. Deregulation and privatisation, either officially or unofficially, remained the order of the day, pushed by the imperatives of European integration as well as the capital needs of firms. These had become everyday matters, however, as the heroic policies formulated without significant consultation gave way to ones that seemed to follow business much more than to lead it. In this period, ministry–industry relations became almost entirely ones of accommodation and co-optation. Succeeding governments for the most part either lacked the will or the means to impose decisions on business that looked less to the government for guidance, as business became increasingly subject to the imperatives of world competition, the constraints of the market, and the demands of technological advancement; or for support, given the growth of new, nongovernmental sources of financing in consequence of the liberalisation of the markets.

Most government actions came from the proposals of business, whether they involved the trading of shares in nationalised enterprises under Rocard, the trading of shares between nationalised and private firms under Cresson and Bérégovoy, or the outright privatisation of nationalised enterprises under Balladur and then Juppé. And once the socialists returned to power in June 1997, although privatisation slowed, it did not stop by any means, and was still led by the desires of business and the pressures of international competition.

For all this, however, _dirigisme_ is not entirely dead, although it is much more market-oriented and more circumscribed than in the past. The French state continues to seek to influence business, primarily through a less directive method focused on strategic industries in the high-technology or defence sectors, on failing industries of major size and importance, and on the ‘monopolistic’ public sector enterprises that had generally been spared the often radical restructuring of the early to mid-1980s. It had hoped, moreover, to replace the interventionist industrial policy given up at the national level with European level industrial policy. However, this hope proved to be elusive, as early successes in instituting European industrial policy programmes (e.g., Esprit, Brite, Euram, Race, Eureka, and Jessi) were followed by failures (e.g., HDTV) or roadblocks (e.g., infrastructural programmes), mainly because of the Europe-wide absence of the institutional conditions and commitments necessary. And in consequence, the French state concentrated on national level efforts.
These national efforts included encouraging mergers and acquisitions for industries of strategic importance to France and Europe in decent fiscal condition, in particular by creating new national champions prior to or even instead of European alliances. Such *meccano industriel*, however, has failed time and again, whether because of the resistance of one of the parties to the arranged marriage (e.g., the merger of Thomson and CEA, opposed by CEA), legal problems (e.g., the sale of Thomson to Lagardère), or political changes (i.e., the halt in the sale of Thomson once the Jospin government came to power). Interestingly enough, although the pace of privatisation has slowed with the Jospin government, the success rate initially went up – in part because of greater attention to industrial strategy, in part because of greater concertation with the employees in choice of acquirers (e.g., in the case of the bank CIC).

For companies in serious financial straits, moreover, the state has been much more rigorous in the conditions for state aid than in the past, given the constraints imposed by EU Competition Commission scrutiny and the new neo-liberal climate, and has made aid a one-shot deal contingent on a restructuring plan, a timetable for return to profitability and privatisation. The problems here relate to the fact that some firms have been unable to meet the requirements of the restructuring plan on the funds provided, and gone back to the state for more money (e.g., Bull, Air France, and, most egregiously, the Crédit Lyonnais, which has gone back at least four times, each time claiming it to be the last). Finally, for enterprises in monopolistic 'public service' sectors, the new market-oriented *dirigisme* sometimes contains echoes of the past statist pattern, with the state first seeking to impose but then retreating in the face of confrontation (e.g., with both Air France in 1993 and the SNCF in 1995).  

Outside of these more vulnerable sectors, most of business has become increasingly free from state interventionism. Interestingly enough, in a curious twist, as business has become more independent of the state, the state has become more dependent on business, at least with regard to the process of European integration. Because big businesses in particular find themselves the privileged interlocutors of the European Union Commission, the French state now needs them as allies in their efforts to influence the EU policy formulation process. As a result, from a system in which business had its say primarily at the national implementation stage, business has gone to one in which it also has input at the supranational formulation stage, an influence that is still largely denied it at the national level.  

In this supranational context, moreover, the state has tended to treat business as it traditionally has public enterprise, that is, as a defender of the
interests of the French nation, and not as an enterprise which, whether public or private, has profitability as its main goal.\textsuperscript{37}

This conviction that business acts in the public interest, in turn, can only have been enhanced because at the head of major business firms, as often as not, continue to be individuals whose education and career paths have been state-centred, and who landed in top management positions (although no longer immediately at the top) at a relatively early age after having had a high-flying career in the state civil service as well as, most often, having held a top post in a ministerial cabinet.\textsuperscript{38} This recruitment pattern has, needless to say, made the transformation of the relationship between business and government relatively painless, as French administrative elites could be confident that the increasingly independent French businesses would be run as they might have run them themselves – or would run them themselves in the near future.\textsuperscript{39}

The state-society relationship with regard to business was so readily transformed, in other words, because the state could now have confidence in the leaders of business in a way that they did not at the inception of the Fifth Republic. This was primarily because the state had largely populated the upper ranks of business. The retreat of the state, accomplished through the policies of deregulation and privatisation, was accompanied by the colonisation of business by the personnel of the state. Here, then, change in policies and processes was moderated by the lack of change in the players. A similar set of dynamics was operative in the case of the transformation in centre-periphery relations.\textsuperscript{40} In other areas of state-society relations, by contrast, where relations have never been as close, change has been stymied, and instead of a transition to more everyday policy making, state heroism confronted by societal resistance remain the hallmarks of state-society relations.

LABOUR-GOVERNMENT RELATIONS

Unlike business-government relations or centre-periphery relations, where the closeness of relations has permitted a transfer of power from state to society, no such transfer has occurred with labour. The state still predominates, for good or ill, passing legislation affecting wages, social security, pensions, and work hours with little real consultation or participation by workers, whether considered as wage earners, social services recipients, or social security recipients. Time and again, therefore, when labour interests wish to be heard, their main recourse has been through confrontation. This was certainly the case in the years prior to the
1980s, and it remained true subsequently, despite various attempts to build stronger linkages between labour and business as well as government. More important for the overall reduction in labour militancy have been the changes in business related to privatisation and deregulation as well as the high unemployment rate, which have together meant that labour unrest has in recent years been limited primarily to public sector employees.

Part of the problem in the labour relations arena has surely been the relative lack of strength and organisation of labour relative to the state. To begin with, labour has traditionally been weak and has been getting weaker, having gone from approximately a 25 per cent unionisation rate in the early years of the Fifth Republic down to around 9 per cent in the early 1990s. The unions have always been highly fragmented and ideologically divided, although they have tended to be somewhat stronger in the public sector than in the private.

This weakness and fragmentation has prevented French unions from achieving the kind of legitimacy that enables strong, highly organised unions in corporatist countries to bargain as equals with government and business. In industrial policy, labour has been 'conspicuous by its absence'.\textsuperscript{41} In collective bargaining, the unions have tended to play a minor role, with the government generally imposing its views in wage negotiations even under the socialists.\textsuperscript{42}

At the plant level, labour has also been relatively impotent, before 1968 because it was not even allowed to have union locals. But even after 1982, once it had obtained the right to be present in all plants, its power did not increase. This was in part because the socialist reforms in the early 1980s intended to increase workplace democracy only further reduced the unions' power by allowing for direct dialogue between worker and management, although these did serve to ameliorate relations between management and labour.\textsuperscript{43}

Workers, confronted with a situation in which their unions represent them neither fully nor effectively, as often as not have taken matters into their own hands. The biggest strikes tend to be spontaneous affairs, and often in response to general concerns about the social climate rather than about bread and butter issues, as in the United States. In consequence, labour unions tend to follow, rather than lead, worker protest, organising rallies after the fact, and taking the initiative for the most part only for the half-day or day-long strikes in general protest at social conditions or political measures. In the 1960s, bitter strikes in response to the deterioration of the labour market meant many workdays lost (about 6 million in 1963, 2.5 million in 1964, 1 million in 1965, 2.5 million in 1966,
In this protest, as throughout the 1970s, autogestion became the battle-cry, as workers demanded the same kind of democratisation in the workplace that citizens were demanding of local government. Moreover, labour became more militant, as business–labour relations deteriorated along with the economic climate, and more and more workdays were lost to strikes (in the early 1970s, 4 million on average; in the mid- to late-1970s, varying between a high of 5 million in 1976 and a low of 2.2 million in 1978).

By the 1980s, the large-scale worker protests seemed to be over, and the number of strikes compared to previous decades decreased dramatically (with an average of only 1.4 million workdays lost per year). In the first half of the 1980s, this was mainly because the socialists were in power. But even after, when the right came back in, the sporadic strike movements were smaller and less all-encompassing. Privatisation played a major role in this, since it left more workers with fewer job protections, as did rising unemployment, which made workers generally fear for their jobs. By the 1990s, moreover, only public sector employees expressed their dissatisfaction with government measures through major walkouts, generally in response to fears of privatisation and the likely layoffs that would follow from it. Yet because these strikes affected mass transport and other public services, they had an impact way beyond the public sector firms involved.

Most telling, perhaps, in the growing gap between public and private sector labour organisation and action, is the fact that Balladur’s 1993 private sector pension reform (extending the years needed to qualify for a pension) passed with nary a whisper from private sector employees, whereas when Juppé attempted to carry out similar reforms for the public sector in 1995 along with more general social security measures and an unpopular planning contract for SNCF, it resulted in an explosion of protest, the likes of which people had not seen since 1968 – or at least so it appeared, given the level of paralysis of Paris. But the strike spread from the railways solely to other public sectors employees, who claimed to be protesting social security reforms for the population at large although they were no less concerned with pending privatisation and rationalisation, particularly in the telecommunications and banking sectors in addition to the railroads. Private sector employees, although supportive of the strikes, took great pains to get to work, walking for hours to and fro if necessary.
General public sympathy for the strikers, moreover, had as much to do with displeasure with the government’s heroic style of policy making, that seemed outdated, as with the content. President Chirac’s promise, immediately following the strike, to institute more ‘dialogue and concertation’, seemed empty, given the fact that the state has generally sought more to impose or to pacify (in the face of protest) than to engage in dialogue and concertation; and that the necessary intermediary bodies for such concertation are either weak or missing.

This is a result of the success of pre-1981 government actions focused on undermining unions and other alternative institutions and the failure of post-1981 policies to create intermediary bodies to substitute for direct state intervention as the government deregulated.50

The post-1981 reforms that introduced greater flexibility in employment did not, as intended, bring with them a new, German-style co-ordination system in which employers and unions would bargain as equals without the heavy hand of the state. And even though these reforms did serve to ameliorate labour–management relations and work conditions, they also liberalised hiring and firing, allowing unemployment to rise, and they did nothing to stem the erosion of union strength along with the number of workers and their pay. Moreover, one of the few vehicles for participation in socio-economic policy making, the system of union co-management with employers of social security, was eliminated by Juppé in favour of parliamentary oversight in his social security reform initiative.

Government response to the public sector strikes in 1995 followed a familiar pattern: in the face of confrontation, it sought to wait out the protest and, failing its early end, backed off its proposed reforms. This was the same pattern it had followed in 1986 in response to the strike of the SNCF against linking pay to merit rather than seniority, which then spread to much of the public sector, and in 1993 in response to the strike by Air France workers against a proposed restructuring plan. This pattern has continued through the late 1990s, delaying much needed changes in those public sector firms most exposed to European and global competition.

Nevertheless workers generally sense that theirs has become a losing battle, as European and global economic pressures force firms, public or private, to become more competitive. Most symbolic of this, perhaps, has been the closure of the Belgian Renault plant at Vilvoorde, which caused protest not only in Belgium by workers and government but also in France, but was nevertheless closed despite the pledges of a newly elected socialist government in June 1997.

This protest, moreover, suggests a new phase in worker mobilisation, one that sees the French labour market within the larger European context
and that targets protest for maximum impact on Europe generally, and not just France. The ‘Eurostrike’ has become the wave of the future, and understandably so, given the increasing impact of EU-led deregulation on French workers. The Renault strike is the first clear example of the Eurostrike, given the inter-European spread of protest and its impact on the EU Commission, which responded by calling for stronger workers’ protections with regard to consultation requirements for European firms, though the Belgian-Renault plant workers themselves had no recourse.

Moreover, protests in other industries and industrial sectors also reflect a growing awareness of the importance of Europe. A case in point is the series of job actions in 1997 by truckers blocking major highways and border crossings in protest against European-instigated deregulation which leaves them in particular without protection and working long hours for little pay. French agricultural interests have been aware of the importance of Brussels much longer than French labour, since they have long been present in Brussels given the CAP (Common Agricultural Policy) that has Europeanised policy in the sector for decades, although they have become especially militant in EU-directed protest actions in the 1990s, in particular once policies went against them, as with the GATT negotiations.

The problem is that although these protests achieve part of their purpose, by embarrassing the French government, they cannot resolve the problem, because the French Government no longer has the kind of control it had in the past in the formulation of policies in these areas, given the primacy of EU decision-making, while in the implementation it no longer has the flexibility to bend, or not, in response to confrontation.

The most interesting recent development in France, however, has been the mobilisation of the least organised of labour groups: the unemployed. The occupation of state offices and even luxury restaurants, beginning over Christmas 1997 and continuing into the New Year, by unemployed workers protesting against low benefits and lack of jobs is perhaps the most significant new aspect of labour relations in France. It suggests not only that the traditionally most disorganised group has become highly organised and effective, at least in this moment of social protest, but also that the unemployed, in a climate of continuing over 12 per cent unemployment rates, are no longer willing to sit quietly as the employed remain quiescent. For the French government, with its expressed commitments both to social solidarity and to meeting the Maastricht criteria, this is a challenge to which it finds itself at a loss for a response.

Labour–government relations, in sum, remain problematic. Unlike in business-government relations or centre-periphery relations, precious little
transfer of power from state to society has occurred. The lack of significant change in this sphere, by comparison with either business-government or centre–periphery relations, has a lot to do with the fact that the state, whether led by the left or the right, has never trusted labour, and would not therefore entrust its leaders with responsibility for managing its relations with business autonomously. This lack of trust is at least in part related to the fact that labour leaders have never been close to government leaders, as have business leaders who have had the same career paths.

It is only very recently under the Jospin government that such trust would appear to be on the rise, given that business and labour have been given autonomous responsibility for the negotiation of work conditions, as in the 35-hour working week. But in the absence of the strong intermediary institutions which are the necessary preconditions to such an autonomous relationship, the negotiation still goes on ‘in the shadow of the state’, with the state itself ready to step in to coerce and control in order to ensure the success of its reform efforts.

Today, moreover, labour relations with government as well as management have become increasingly diverse in consequence of the degree of privatisation, deregulation, or international competition to which an industrial sector has been exposed. In the private sector, which has grown greatly as a result of privatisation, significant change has occurred, with business largely strengthened and labour weakened as a result of state reforms. Deregulation in the absence of intermediate labour institutions has led to the marketisation of labour relations, meaning that the state has left bargaining more and more to the market while firms can hire and fire with much greater freedom than in the past and with little fear of protest from its weakly unionised work-force.

In the public sector, that part sheltered from European or global competition, such as education, has changed relatively little, with its comparatively strong unions still able to block any deregulatory reform (and in the case of education, any other innovative reforms as well).

By contrast, that part of the public sector (along with parts of the private sector which formerly were heavily regulated, such as trucking) which is increasingly exposed to European and/or global competition and is in the process of privatisation and/or deregulation because of Europe-instigated reform is in flux. In this relatively large sector, labour still holds the state responsible for its fate, but the state has less and less control over the sector and less and less capacity to respond to labour demands, given European regulation and global and European competition, making the escalation of confrontation likely.
Changes have occurred in the labour relations arena as well, then, but they have not been greeted with the same level of approbation as in business-government relations. In the exposed part of the public sector, accelerating privatisation and deregulation has led to worker protests. In the sheltered part of the public sector, the lack of any forward movement has led to worker dissatisfaction. And in the private sector, the lack of job security and stagnating wages has led to worker insecurity. Add this to high unemployment and the recent general cutbacks in social security and pension benefits, and we have a picture of state-society relations that are in deep crisis rather than having been constructively transformed, as they have in business-government or centre-periphery relations.

RELATIONS WITH CIVIL SOCIETY

In government’s more general relations with citizens, by contrast with relations with citizens as workers, transformation has occurred, mainly through a loosening of state control of civil society. The reforms, however, have focused less on the direct transfer of power from state to society, as it was with business-government relations or even centre-periphery relations, than from state to those professional groups or institutions that sit between state and society and/or serve to represent society as counter-powers to the state. Thus, the liberalisation of the rules governing the media, the rise of independent regulatory agencies, and the modernisation of state administration have brought about significant change in the relations between the state and its citizens, providing for greater transparency in state action and greater citizen insulation from the state. Direct citizen participation in policy making, however, has not improved.

The liberalisation of the media has perhaps represented the most significant of the reforms involving general state-society relations. Maintaining freedom of the press and electronic media has been a long struggle in France. The fact that the newspapers have since the liberation been subsidised by the state while the electronic media, that is, the major radio and television stations, were publicly held and financed monopolies until the privatisations and deregulation of the 1980s meant that the state could at least indirectly exert pressure over the media through financial means. It also had direct control through laws against publishing statements damaging to the president or other public authorities, which it used particularly frequently during the first half of the Fifth Republic to limit embarrassing media criticism of government action. And in the case of public audiovisual enterprises, the government exerted significant influence.
through its appointment of the heads of the radio and television stations.

Major change came as of the early 1980s, however, when the socialists liberalised the media, allowing for private radio and television stations to be regulated by an independent body in charge of the sector of information and communication as a whole, which was also to appoint the directors of publicly owned television, oversee the newly deregulated sector of radios, the content of television and radio programming, and so forth. When the right came in, moreover, it continued with liberalisation through privatisation of the symbol of government monopoly, TF1, although the regulatory body which it set up in place of the socialist one was attacked for being politically influenced. By the late 1980s, however, with yet another regulatory agency with slightly different powers from the previous, the independence of the media from politics was consecrated.53

The independent regulatory agency governing the media, just as the whole host of other new regulatory agencies that have followed from deregulatory reforms, have become intermediate institutions between state and society, mainly by replacing the ‘administrations’, in which top civil servants could choose to exercise their discretion in adapting laws to meet individual needs, with a system in which independent regulators must apply the law without discrimination or administrative discretion. The rise of independent regulatory agencies is tied not only to the economic reforms that have created greater distance between business and government but also to the administrative reforms that sought to provide greater transparency and openness to the public as well as to exercise oversight over private as well as public actors.

In the relations between citizen and public administration, a variety of commissions was established to ensure freedom of access to information, to control electronic eavesdropping, and to limit the arbitrary power of the tax authorities; in addition to an Ombudsman, with upwards of 23,000 complaints received and 22 reforms proposed in 1990. By 1990, moreover, there were almost 20 independent agencies that oversaw consumer protection, competition, and insurance. Most powerful, though, are the regulatory bodies in the financial sector, in particular the Stock Exchange Commission (the Commission des Opérations de Bourse), established in 1967 but not given concrete powers until 1989, in the wake of insider trading scandals, and the Council for Competition set up in 1986.54

Direct citizen participation in decision making, however, whether individually or in groups, has not improved much.55 The statist pattern of policy making in which citizen input is left to the implementation stage remains the norm. The only recent legislative reform that purportedly
increases citizen participation in the policy formulation process as a whole, a constitutional amendment passed at the end of July 1995 that enables the president to call referenda on a wider range of issues than in the past (e.g., on education, taxation, the diminution in the size of the welfare state, or privatisation), is one that does not necessarily ensure real participation, since the president would frame the question and set the terms of the debate, with a simple yes or no answer the only response possible. Moreover, although the project to ‘reform the state’, announced on 1 July 1996, was a step in the right direction, it is focused not on citizen participation but on state efficiency.\textsuperscript{56}

There are other ways, of course, in which citizens’ concerns are voiced. The courts have been increasingly active in pursuing administrative as well as business malfeasance, while the press has increased its investigative acumen. Both made the Juppé government uncomfortable enough that it sought to hamper the investigations of judiciary and media through a variety of means, including legal intimidation, and to question the legitimacy of the courts and the press within these contexts.\textsuperscript{57}

By contrast, the Jospin government has sought to open up the policy-making process by consulting more on all reform initiatives at the formulation stage, mainly by using expert commissions to propose reforms on controversial issues (and choosing what to do based on public reaction); but this still suggests a more elite, rather than citizen, approach to policy making.

Moreover, there is little additional direct recourse for citizens at the European level, despite the fact that EU directives and the European court have in many instances served to promote citizen rights and protect citizens against government excess. The problem for French citizens with regard to the EU is that, outside of business interests, they have for the most part not been able to organise effectively enough to exercise influence. And EU processes offer little access to citizens \textit{qua} citizens in policy formulation other than through individual appeals to parliament or through court cases. However, France’s statist model ensures that citizens, whether organised in interest associations or not, have little impact on the formulation of national policies toward the EU.

CONCLUSION

Much has changed in state-society relations during the Fifth Republic. Deregulation and privatisation have reduced government power over business; decentralisation has diminished the centre’s power over the
periphery; liberalisation of the media has promoted greater state transparency; modernisation of state administration has brought it closer to those it serves; and the rise of independent regulatory agencies has enhanced citizen protections against the state.

In the labour relations arena, too, much has changed, in particular in the private sector and in that part of the public sector (or heavily regulated private sector) exposed for the first time to competition. However, in this arena, unlike in business-government relations or centre-periphery relations, the reforms have not led to a transfer of power from state to society, nor have they increased worker satisfaction, by contrast with reforms in state relations with civil society more generally that have indeed produced greater citizen satisfaction. Yet significant problems remain in this last sphere too, given that general citizen access and influence over national decision-making has not only not improved, it has even diminished in those areas affected by European integration, given that Europeanisation has decreased government autonomy and flexibility in decision making.

The remaining, overriding problem in state-society relations is that while the state has given up tremendous power through its deregulating, decentralising, liberalising, and Europeanising reforms, and thus has less capacity for action, it still perceives itself, and is perceived by society, as wholly responsible for what occurs within France. Moreover, at the same time that society expects state action, and has not as yet been able to organise itself to act autonomously, it is less willing to sit passively by as the state takes action.

The long-standing malaise in France, just as much as public sympathy for the protests of the unemployed and the strikes of public employees, has a lot to do with public disillusionment with state leaders, whom the public sees as a technocratic elite out of touch with everyday reality and stuck in the old, heroic patterns of action, where citizens are largely kept out of the decision-making process.

This has attenuated somewhat with the socialists’ return to power, since Juppé’s government was the lightning rod for such feelings. But even the socialists have not been as consultational as they had promised, the 35-hour work week being a case in point, since they announced the planned reform before much significant discussion had taken place, to much opposition from business and even from part of labour, although they have given business and labour time to work out their differences on the details before the reform takes effect.

In sum, even though state-society relations have been successfully reformed in a whole range of spheres, the French style of leadership remains
problematic. Nevertheless, the Jospin government appears to have begun to address the problem. It has promoted more dialogue and concertation with societal interests when formulating policy. Its discourse seeks to moderate public expectations about the state’s role. The government deliberately uses less heroic language to talk about its choices and actions in France, Europe and the world.

NOTES


3. See Schmidt (note 1) Chs 1, 2.


6. Schmidt (note 1) Ch.2.


17. See the essay by Emmanuel Négrier in this volume; and Schmidt (note 9).
18. Schmidt (note 9).
22. Schmidt (note 1) Ch.8.
31. Schmidt (note 1) ch.4; Schmidt (note 30).
33. Schmidt (note 32).
35. Schmidt (note 30).
38. Bauer and Mourot (note 29).
40. See the essay by Emmanuel Négrier in this volume.
41. Hayward (note 24) p.63.
47. Ibid. p.186.
52. Schmidt (note 49); Schmidt (note 36).
57. See Le Monde, 7–8 July 1996.