Industrial Politics in France: Nationalisation under Mitterrand

Richard Holton

The first part of this article looks at the reasons why nationalisation featured in the 1981 French Socialist programme, and concludes that while in the abstract it was an issue that encouraged left-wing unity, the Socialists and the Communists expected very different things from it. The second and third parts look at the implementation of the policy, stressing the continuity with which the Socialists', rather than the Communists', aims have been pursued.

There have been a number of recent publications on the French nationalised industries looking in some detail at such issues as the nature of their restructuring, the level of investment, and the composition of output. The aim of this article is to complement rather than duplicate these publications, by addressing some more overtly political issues. Nationalisation formed the mainstay of the Socialist government’s industrial policy, and hence, given the nature of the government’s beliefs, a major part of its economic policy. The article will try to explore how it came to have such a role, and what became of it as other government policy changed.

NATIONALISATION AS AN ISSUE ON THE LEFT

Nationalisation can be advocated in order to dispossess the private owners of capital; or in order to provide the tools which enable particular economic or social policies to be implemented. The Socialist Party [PS] and the Communist Party [PCF] were agreed that nationalisation was necessary to dispossess private capital of its power. This agreement did not, however, extend to a common view of how a left-wing government should use this power. An enquiry into the differences here must trace the issues involved back through the debates of the 1960s and 1970s.

It is misleading to see nationalisation simply as a concession forced by the PCF from the PS as the price of electoral co-operation. The PCF had opposed the nationalisations of the Popular Front Government as measures that would distract the working class while not taking power from the ‘financial oligarchies’. This attitude changed directly after the Liberation, but the former line soon returned: by 1948 demands for further nationalisations had given way to anger at the way that the nationalised industries were being run. In 1954 proposals by the Nouvelle Gauche for the nationalisation of all public utilities and monopolies were rebuffed by Billoux, spokesman of the PCF. The Communist position is made clear in Billoux’s article in Cahiers du Communisme in June 1956: the nationalised industries were being used to
extract surplus value from the workers, which was then being passed into the private sector. Thus it is clear that acceptance of a policy of nationalisation in the early 1960s represented a definite move of compromise by the PCF: especially as it was more associated with the then Socialist Party, the SFIO. In 1963 a bill was introduced into the chamber of Deputies calling for the nationalisation of all investment banks. Among its signatories was Gaston Defferre who was, even then, a pillar of the moderate Socialists.

Public discussion of nationalisation started in the Communist dominated CGT in 1963. In 1964, in line with the newly adopted State Monopoly Capitalism theory, the PCF passed a resolution calling for nationalisations as part of the peaceful transition to socialism. What did the PCF hope to gain from the reintroduction of this policy? Undoubtedly it was put forward as one of the first offerings in the negotiations for left-wing unity. It was accepted in this way by the Socialists, who included a general policy of nationalisation in the Federation of the Left's programme of 1966, a policy which was then included in the common electoral platform presented by the PCF and SFIO in February 1968. However, the PCF had at this time, unlike the Socialists, specific ideas of how nationalisation was to be applied so that it would benefit them. These specific aims became clear in the Manifeste de Champigny of 1968. This put forward a theory of 'advanced democracy', to be achieved by a government of the united left. The central idea was that of extensive nationalisations of industry and credit, creating firms in which there was to be 'democratic management' (gestion démocratique). Quite what this meant became clear the following year at the 37th Congress of the CGT. Control was to be based on a twofold strategy. Firstly, the relationships between the firms and the government were to be defined by planning contracts. Secondly, within the firm, the conseil d'administration (board of directors) was to consist of trade union representatives, government representatives, and representatives of the consumers. This idea of the tripartite conseil d'administration was an old one, dating back to the 1920 CGT Congress at Tours. It was introduced in 1946 in a number of nationalised firms, including Gaz de France, Electricité de France, Charbonnages de France and Renault. However, as appointments to the conseils were controlled by the government, the CGT had, since the PCF left the government in 1947, been heavily under-represented. The aim of PCF policy was to ensure that the CGT got full representation on the conseils of both the existing nationalised companies and those to be nationalised. They did not envisage that this be achieved by direct elections, with the lack of control that this would entail. Instead, in any future left-wing government, the PCF wanted control of the Ministry of Industry, and hence control of appointments onto the conseils. The CGT had always been opposed to entering into anything that might be seen as a co-operative agreement with management, even in nationalised firms. But running nationalised firms by CGT-dominated conseil d'administration within the context of an industrial policy drawn up by a Communist Ministry of Industry could ensure that the power of the CGT was entrenched, that workers' jobs were protected, and that their working conditions were improved.

It was thus with a fairly detailed idea of what it wanted that the PCF entered negotiations with the Socialists. The first fruit of these negotiations, the
Premier bilan des conversations engagées entre le PC et le PS, while again stressing the need for an enlarged public sector to be run democratically, was vague as to what this would mean. More concrete proposals were put forward in the two documents which were, in effect, suggestions for a joint programme: the PCF's Changer de cap of October 1971, and the PS' Changer la vie of April 1972. Changer de cap involved few changes from the PCF line already propounded. Monopolies and firms dependent upon public funds were to be nationalised. It was, however, accepted that the workers' representatives on the conseils d'administration were to be elected; later statements made clear that only union nominees would be eligible to stand for election. Changer la vie, drawn up largely by the CERES group of the PS, marked not so much a change as a formulation of policy. The list of firms to be nationalised was similar to that put forward by the PCF, although the approach was somewhat more pragmatic: firms were to be nationalised if their monopoly position enabled them to interfere with government policy. The real divergence between the PS and the PC concerned workers' control: the publication marked the entry of autogestion into PS doctrine. Workers in the public sector were not only to have representatives on the conseils d'administration; they were also, as far as possible, to control the appointment of managers, employment policy, the organisation of work, and the relationships of their firms with the state.

It was on the basis of these two documents that the Programme commun of June 1972 was drawn up. This proposed the extension of the collectively-owned sector by a number of means, such as co-operatives and local authority enterprises. This was to be supported by a minimum threshold of nationalisations to be carried out as soon as possible by the left unity government. The criteria used to decide which firms would be nationalised were:

- public services fulfilling basic social needs;
- firms dependent upon the state, whether as subsidiser or as customer;
- principal centres of capitalist accumulation, dominating large sectors of the market;
- firms controlling sectors essential for the development of the national economy.

The use of these criteria would involve the following nationalisations:

(i) the entire banking and finance sector, which would be regrouped to form a national investment bank;

(ii) those groups and enterprises occupying strategic positions in key sectors of the economy, namely:

(a) all of the mining, armament, space, aeronautical, nuclear and pharmaceutical industries: Dassault, Roussel-Uclaf, and Rhône-Poulenc;

(b) the majority of the electronic, computer and chemical industries: ITT-France, Thomson-Brandt, CII-Honeywell Bull, Péciney-Ugine-Kuhlmann, Saint-Gobain-Pont-à-Mousson, and the Compagnie Générale d'Electricité.
Furthermore, steps were to be taken to acquire majority holdings in the steel and oil industries, airlines, shipping companies, water companies, and in motorway and telecommunication network constructors.

The question of the extent of autogestion was not so much settled as avoided. New forms of workers' involvement in management were envisaged, but they were not specified. Elected representatives of the workers were to take up at least a third of the tripartite conseils d'administration, but the eligibility requirements on people standing for these posts were not given. The Programme Commun was to provide the basis for left-wing debate about nationalisation throughout the 1970s. The list it gives of firms to be nationalised was closely adhered to in 1982, when the newly elected left-wing government implemented its policy. However, while the list remained the same the debate moved on radically. It centred on two areas: restructuring and autogestion.

Restructuring was an idea that developed predominantly in the Socialist Party. Having accepted nationalisation, in a very unspecific form, as necessary for left-wing unity, many 'technocrats' within the PS (ranging from social democrats to CERES members) developed the line that was already present in Changer la vie: the idea of the nationalisation of specific firms to attain limited economic goals. Largely in response to the economic depression that followed the first oil price rise in 1973 they saw nationalisation as providing a way of implementing industrial restructuring. The claim was that many French companies, especially the five large industrial groups whose nationalisation was envisaged in the Programme commun, had expanded not by specialising but by diversifying, until they looked more like holding companies than industrial groups producing complementary products. The result was that, while they were fairly well insulated from shocks in particular product markets, they did not have the economies of scale, especially in R & D, associated with one branch of production. Furthermore, the desire of the private shareholders of these groups for short-run profits was such that they were not prepared to see them reduced by the inevitable costs of restructuring. Only the state would have the power and the foresight to force each firm to concentrate in a particular area. Quite what was expected of restructuring differed within the PS. The faction grouped around Rocard wanted nationalisation at 51 per cent to give the necessary control; the nationalised firms would then be required to become profitable as quickly as possible. CERES wanted nationalisation at 100 per cent, together with vast infusions of public money and possibly tariff protection, to create French filières. By this they meant interdependent groups of firms producing all the components and finished goods in particular areas (eg electronics), and hence not reliant on foreign firms; the idea was opposed to the créneau policy, whereby French firms would be encouraged to take their place in an international division of labour by concentrating only on that which they could do best (a policy, it was argued, which had been favoured by the Giscard d'Estaing presidency).

It is in the light of these developments that the 1977 rupture between the PS and the PCF should be seen. The PCF were not opposed to all restructuring. But their primary aim for the nationalised industries remained that of maximising the power of the CGT. As the electoral power of the PS grew in
proportion to theirs so it became more important that this aim should succeed. The way to do this would be to make the public sector as large as possible; restructurings which disrupted established union organisation would not be welcome. In contrast the PS wanted specific nationalisations for a specific purpose; and it did not want a CGT so strong as to make restructuring impossible.

The second area of debate during the 1970s concerned the already vexed issue of autogestion. Pressure for autogestion was kept up in the PS in the mid-1970s by the entry of the PSU leadership. The Quinze thèses sur l’autogestion of 1975 suggested complete control of the nationalised industries by the workforce. Such approaches were condemned by the PCF and CGT as potentially damaging to the common interest and the coherence of the national economic plan. Ironically, after 1977 these positions suffered something of a reversal. The PCF, now seemingly despairing of controlling the Ministry of Industry, advocated increased independence for the nationalised companies, power going instead to the conseils d’administration, in which it was hoped that the CGT would dominate. In the PS, despite the publication of the Projet socialiste in 1980 which repeated many of the points of the Quinze thèses, leadership interest focused on the more modest proposals for the reform of collective bargaining which were being put forward by Jacques Delors.

IMPLEMENTING NATIONALISATION

Proposal 21 of the 110 propositions pour la France on which Mitterrand was elected in 1981 promised the nationalisation of the nine industrial groups mentioned in the Programme commun, of the steel industry, banks and insurance companies, and of the armament and space companies financed from public funds. After the return of a Socialist majority to the National Assembly in June, Pierre Dreyfus was appointed Minister of Industry. Dreyfus had been the very successful head of Renault from 1955 to 1975, and was proud of the autonomy that he had preserved there. However, by 1981 it was feared that he was too old and ill to be an effective minister. His appointment was widely seen as a temporary one, made to facilitate the process of nationalisation by reassuring the business community that the earlier practice of managerial autonomy would be maintained. The detailed implementation of the transfer was to be the concern of Jean Le Garrec, junior minister responsible for the Extension of the Public Sector, who was attached to the Prime Minister’s Office. Le Garrec, a former IBM executive who had been associated with Rocard and latterly with Mauroy, was also a very reassuring figure.

There were three parts to the process of nationalisation. The first, converting the previous government’s loans to Usinor and Sacilor into equity, was easy, and was passed as a clause in the first finance bill. The second, the main nationalisation bill, and the third, the nationalisation of Matra, Dassault and those companies with a large proportion of foreign ownership, were more difficult.

The main bill, nationalising Thomson-Brandt, CGE, Rhône-Poulenc,
PUK, Saint-Gobain, Suez, Paribas, and 36 banks was introduced in September 1981. Rocard and Delors had argued that the state should take only a 51 per cent share in these companies, thereby halving the cost. They were overruled by Mitterrand, who insisted on 100 per cent nationalisation. One of the reasons given for this action at the time, that responsibility to the remaining shareholders would inhibit government policy, was clearly specious: as the companies to be nationalised were basically holding companies this argument would require the 100 per cent nationalisation of all their subsidiaries, something which the government was certainly not prepared to do. The more likely explanation was that Mitterrand did not want to give the PCF any chance to accuse him of reneging on his electoral commitment. The bill did not become law until February 1982. It was held up by intense parliamentary opposition (in the Chamber of Deputies some 1500 amendments were proposed to the bill; in the Senate it was defeated twice); and by the Constitutional Council, which, while not ruling all further nationalisation unconstitutional, demanded, among other things, that the method of evaluating compensation to the former shareholders be changed. This ruling was deeply unpopular among PS and PCF Deputies, many of whom thought that the existing method, accepted on the advice of the Conseil d'Etat was already overgenerous. However, the government paid the extra sums demanded by the Constitutional Council, amounting to an average increase of 15.2 per cent for the industrial groups, 36.6 per cent for Suez and Paribas, and 31.5 per cent for the quoted banks, without resorting to the extraordinary wealth tax demanded by many Deputies. The former shareholders received bonds repayable in equal annual instalments over 15 years. The cost to the state was estimated at Frs 39 billion in capital payments, and Frs 47 billion in interest payments. The bill would have been even higher if it were not for the fact that eight per cent of the shares were already owned by various state bodies.

Similar problems were faced with the nationalisation of Matra. The large shareholders were happy with the compensation offered to them, but a group of small shareholders took the government to court and won a settlement almost 50 per cent higher. The difficulties with nationalisation of the largely foreign-owned firms were of a different sort. Partly, the government was wary of breaking international law; more importantly, it was keen to show that it could work with multinational firms. As a consequence the delicate negotiations with ITT over CGCT (ITT-France) took until the end of 1982 to complete. A majority stake in Hoechst's subsidiary Roussel-Uclaf was never achieved; the government made do with a 40 per cent share and an agreement on joint control.

**RUNNING THE NATIONALISED INDUSTRIES**

Once the process of nationalisation was complete the government faced the problem of how it was to run an industrial public sector which accounted for 18.6 per cent of the employees, 22.5 per cent of the value-added, 23.8 per cent of the gross investment, and 32.1 per cent of the exports of French industry. There is no single answer to how the government resolved this problem. As economic policy changed, so did policy towards the nationalised industries. These changes in policy were accompanied by changes in the Ministry of
Industry. The first minister, Joxe, lasted only from Mitterrand's election in May 1981 until the parliamentary election of June. He was succeeded by Dreyfus: June 1981 to June 1982; Chevènement: June 1982 to March 1983; Fabius: March 1983 to July 1984; and finally Cresson. The remainder of this article will examine the significance of these changes, using the tenures of the various ministers as convenient time periods. A separate section will then look at the Law on the Democratisation of the Public Sector.

**Dreyfus**

Joxe's tenure, under a right-wing majority in the Chamber of Deputies, was too short to have had any appreciable impact. Dreyfus was thus the first important minister. It has already been claimed that Dreyfus's appointment was primarily intended to smooth the transfer of industry from the private sector to the public sector. However, the legislation effecting this transfer itself contained guidelines which, together with the letter that Dreyfus sent to the heads of the nationalised companies in February 1982, show the plans which the government had for the industries once the transfer was complete. The letter stated that the nationalised companies would contribute to, although not necessarily be guided by, the three main lines of government industrial policy: creating employment, increasing investment, and extending the presence of French industry in domestic and foreign markets. In other speeches Dreyfus was keen to insist that employment in the nationalised industries was not guaranteed, but was dependent upon the success of the companies.

Each company was to be run autonomously by its managing director [Président-directeur général (PDG)], and its conseil d'administration within the framework of a planning contract. The planning contracts were one of the innovations of the 1982 Nationalisation Act. The Nora Report had, in 1967 recommended that the nationalised industries be given greater autonomy. In the light of this, contrats de programme were signed in 1969-70, followed by contrats d'entreprise in 1978-79. These were contracts signed between the state and various nationalised energy and transport companies. They were concerned with committing the companies to providing specified services at specified prices in return for specified grants. The planning contracts, as established by the Nationalisation Act and by the Planning Reform Act of July 1982, were wider than these earlier contracts both in their scope (they covered economic and social rather than simply financial aims) and in their application (they could be between the state and nationalised companies, private companies, local authorities or regional authorities).

Despite the supposed autonomy given to nationalised companies within the context of their planning contracts, the government retained considerable power. Partly this consisted in the power of appointment. The 1982 Act required that the managing directors be appointed by the Council of Ministers from among the members of, and on the advice of, the conseil d'administration of the firm concerned. In fact, in 1982 the first set of PDGs, provisionally called administrateurs généraux, were appointed before the conseils had had a chance to meet. The appointments made at this time were inoffensive. A number of former PDGs who had vowed to leave when their firms were
nationalised, such as Roux at CGE, left. Those who had wanted to remain did so, including Gandois at Rhône-Poulenc who had faced a campaign by the CGT to unseat him. Of those newly appointed only Gomez at Thomson-Brandt was closely associated with the PS. Among the 14 PDGs of major firms appointed or confirmed in February 1982, eight were graduates of the Ecole Nationale d'Administration (ENA), three of the Ecole Polytechnique, and two of HEC. The second governmental power of appointment concerns the posts on the conseils d'administration that are not assigned to worker representatives. This power is divided up among the interested ministries; the Ministry of Industry dominates appointments to manufacturing companies.

The government also retained the ability to intervene directly in the affairs of the nationalised companies, threatening if necessary the sanction of dismissal of the PDG. Dreyfus seems to have rarely intervened himself, although on a number of occasions the government intervened through him. The most notable intervention concerned the attempt by Thomson to come to an agreement with the Japanese manufacturer JVC over the production of video recorders. This was blocked by the President of the Republic, and Thomson was instructed to try to find a 'European solution'. However, after an apparently unenthusiastic attempt to buy out Grundig was blocked by the German Cartel Office, they took a controlling stake in Telefunken and were then allowed the JVC agreement that they had originally wanted.

The other very obvious area of government intervention during Dreyfus's time as Minister of Industry was that of restructuring. Restructuring was on a massive scale and has been the single most important effect of nationalisation. It has been extensively discussed elsewhere, and so will not be detailed here. The primary aim was to centre production of each product on one or two particular companies: that is, to implement the policy that has been advocated by the PS since the mid-1970s. Most major decisions, such as that to centre chemical production around Elf-Aquitaine, CDF-Chimie, and Rhône-Poulenc, were made in the Council of Ministers. Some, however, such as the exchange of assets between Thomson and CGE, originated with the firms themselves, and were then approved by the government. What is of primary interest here is that the restructuring process continued very much unaffected by the particular Industry Minister in power. Despite protests, most notably from the postal and telecommunications ministry, about the monopoly positions that were being created, the government at no time altered its restructuring policy.

Chevènement

Given the mildness of most industrial policy under Dreyfus, the appointment of Chevènement at the very moment when the government was imposing economic rigour seemed surprising. In line with CERES policy Chevènement advocated a great deal of state investment in industry, something not obviously reconcilable with the government's commitment to hold the budgetary deficit to three per cent of GDP. Undoubtedly, CERES support for Mitterrand made them deserving of a major ministry. And, as Ross and Jenson stress, Chevènement's demand for increased investment was accompanied by an acceptance that consumption would have to decrease.
Agreement with those advocating rigour in this field did not, however, imply agreement elsewhere. This can be seen when Chevènement’s policy towards the nationalised industries is looked at in more detail.

Chevènement did show that he was prepared to decrease wages. In September 1982 he instructed that wages be deindexed in the nationalised companies, resulting in settlements in 1983 several points below the rate of inflation. Also in line with his avowed policy, he pressed for increased investment in capital goods and in research and development. Total investment in France by the 15 nationalised companies under the control of the Ministry of Industry rose in 1983 by 30 per cent, compared with an 11 per cent rise the previous year. Total state aid to the newly nationalised companies (including participatory loans) rose to Frs 20.5 billion in 1983 compared with Frs 12.4 billion in 1982 and Frs 7.8 billion in 1981. The stress of investment is also apparent in the first planning contracts, which were mainly signed later under Fabius but negotiated under Chevènement. The contracts vary greatly in the amount of detail they contain. CGE’s specifies that it should become the largest producer in its field in Europe, and the fourth biggest in the world; Péchiney’s, in contrast, just requires that it stabilise its traditional activities and develop the production of new materials. But they are all dominated by the need for increased investment in research and development.

It was not, however, simply the volume of investment that Chevènement wanted increased. He wanted it to be distributed with reference to particular aims. First, he wanted to maintain employment. Employment in France in the nationalised manufacturing companies had fallen by two per cent between 1980 and 1981; but it remained stable between 1981 and 1982. Employment in manufacturing industry as a whole had fallen by six per cent, between 1980 and 1982 in France. Chevènement endeavoured to maintain this stability by persuading the nationalised companies to insert undertakings in their planning contracts that they would keep total employment in France constant. Renault, Péchiney, the chemical groups and the steel companies declined to give such an undertaking.

Secondly, Chevènement tried to create national filières. This policy emerged most strongly in electronics, where he did such things as forcing Thomson to continue in production of machines to make integrated circuits, and encouraging them to make an all-French hi-fi. Chevènement’s insistence on the need for filières was linked with his desire for tariff protection. Having high tariff barriers would protect domestic manufacturers; but a national filière might be necessary to protect the tariff barriers from threats by American or Japanese manufacturers to withhold essential components if they were not removed.

Pursuing policies such as these obviously had a cost, which showed in the nationalised companies’ profits. Most of the planning contracts had clauses mentioning the need for an “economic” balance to be reached (the exceptions being, interestingly, Thomson and CGE, the only two contracts actually signed by Chevènement). However, little stress was put on them by Chevènement. Thus, although the companies nationalised in 1982 were almost already making a loss when nationalised, almost without exception their losses reached
a maximum during Chevènement's period in office.11

While those in the government advocating rigour might have accepted the need for heavy public spending to return the nationalised sector to profitability (as many were to do with Fabius as Minister of Industry) the question arises as to why they were prepared to accept the type of spending that Chevènement was undertaking. Ministers such as Delors would rather have seen investment channelled to the most profitable sectors, and would have accepted the need for redundancies to increase profitability. The explanation normally put forward is that those advocating rigour did not have the upper hand in the government at this time. It does seem to be the case that is was not until March 1983 that the final decision was taken against the import controls that might have made the filière policy coherent. There is, however, a further explanation as to why those who felt that in time Chevènement's policies would have to be reversed were content for him to remain Minister of Industry. This was the need to appease the left wing of the PS, the PCF, and, most pertinently, the CGT. Enforcing redundancies in the nationalised industries would bring the government into direct conflict with the CGT. If redundancies had to be made, they would best be made when it really appeared that all alternatives had been tried. Moreover, there seems to have been some feeling that conflicts with the CGT should be postponed because the CGT would get weaker. A striking example of this is shown by the way that the laws on the democratisation of the public sector, over which the PS and CGT disagreed, were excluded from the initial Auroux laws on workers' rights. The longer the PCF remained in the government, and hence the longer the CGT could be kept from rebelling, the less reason people would see for supporting them.

Such considerations are important when looking at the reasons for Chevènement's replacement by Fabius. Much stress has been put on the supposed interference by Chevènement in the daily running of the nationalised industries; and on the reports that the heads of the nationalised companies complained to Mitterrand and had Chevènement rebuked. What such an approach misses is that Chevènement's interventions were designed to bring about particular policy outcomes; so that his replacement represented a change of policy rather than simply a change of style.

*Fabius and Cresson*

Although their personal approach is quite different, there has been a great deal of continuity between the ministries of Fabius and Cresson. The replacement of Mauroy by Fabius signalled no major change of economic or industrial policy, so the period from March 1983 onwards will be treated as undivided.

Despite the austerity measures applied elsewhere in the government budget, the period after the departure of Chevènement from the Ministry of Industry did not see any great change in the level of grants going to the nationalised industries. Grants from the budget totalled Frs 12.85 billion in 1984, compared with Frs 12.45 billion in 1983. For 1985 they have been set at Frs 13.56 billion. State grants from other sources have remained roughly constant, providing the nationalised industries with about Frs 20 billion each
year. Any depreciation in real terms suffered by these funds has been more than compensated by a further source of finance. This is the ability of the nationalised industries to issue, under a law passed in January 1983, *titres participatifs* and *certificats d'investissement*. *Titres participatifs* are non-voting loan stock, with a return based partly on the going bond rate, and partly on some other index chosen by the firm such as turnover; *certificats d'investissement* are non-voting preference shares. Extensive use has been made of these devices; by the end of 1984 over Frs 6.5 billion mainly in the form of *titres participatifs* had been issued. The presence on the Bourse of the remaining shares in the partly-owned subsidiaries of the nationalised companies has always meant that the government has been under some pressure to ensure that the nationalised industries perform well by normal commercial criteria. This pressure has now been increased by the additional presence of these *titres* and *certificats*.

The difference from Chevènement’s period thus does not lie in the amount of money going to the nationalised firms, but in the way that it is used. First, the attempt to create *filières* has been virtually abandoned. Reporting on the success of the electronics *filière* to the Council of Ministers in November 1984, Cresson stressed the success of what was, in effect, a *créneau* policy. International links have been encouraged and the need for national specialisation accepted. Secondly, the pressure to maintain employment levels has been greatly reduced. Precise aggregate figures for 1984 are not available at the time of writing, but evidence from the individual firms shows that they have reduced their workforces heavily: Thomson shed 2800 workers in 1984; Pêchineny 3000; CGE 6000. Hanon’s dismissal as head of Renault, which made a loss of Frs 11.55 billion in 1984, has been followed by the announcement by Besse, the new head, of a plan to cut 18,000 jobs. While freeing them from these requirements Fabius insisted that the companies break even by the end of 1985, or, in the case of the steel industry, by 1987. This had an effect: other than the steel companies Bull was the only company nationalised in 1982 to be still showing a loss by the end of 1984. Figures for the whole nationalised sector in 1984 are, however, badly depressed by Renault’s record loss.

**INDUSTRIAL DEMOCRACY**

As mentioned earlier, the Law on Democratisation of the Public Sector was not passed with the Auroux laws in May 1982, but was held back until July 1983. Until the first elections under it in June 1984, the seats of the workers representatives were filled with union nominees. In those companies with more than 200 employees that are more than 90 per cent owned by the state or another nationalised company the law established *conseils d'administration* of 18 people, of whom six were to be workers’ representatives. Of the remainder seven were to be representatives of the state, and five experts chosen in view of their technical, commercial or regional expertise, or their ability to represent consumers or users. In those companies between 50 per cent and 90 per cent owned by the state or other nationalised companies, (together with a few specified companies in which the state had a minority
share), bipartite *conseils* were to be established. In such firms with more than 1000 employees, workers’ representatives would make up a third of the *conseil*; in firms with between 200 and 1000 employees the workers would have two representatives among the nine to 18 members of the *conseil*. Workers’ representatives would hold their position for five years.

The law was not what the CGT had wanted. They had two objections. First, they wanted only those sponsored by the trade unions to be allowed to stand in the elections for workers’ representatives. Le Garrec had publicly clashed with Lazore of the CGT in March 1982 when he had suggested that instead there should be *listes libres* on which any worker could stand. The 1983 Act gave the right to stand to union nominees and to people who could get their candidacy endorsed by 10 per cent of those elected in the various other workplace elections. While this second qualification made little difference in the large companies where the unions dominated all the elections, it did make a substantial difference in those with under 1000 workers. The second CGT objection was to the fact the one of the workers’ representatives was to be reserved to be elected only by the *cadres*.

The first elections were held in June 1984 and gave the following results:

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<td>Votes (%)</td>
<td>35.1</td>
<td>22.8</td>
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<td>Seats (%)</td>
<td>25.4</td>
<td>24.5</td>
<td>15.1</td>
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The discrepancy between the two sets of figures is explained by the concentration of the non-union vote in the small plants, and by the inclusion of the reserved seats.

The Law on the Democratisation of the Public Sector has certainly succeeded in extending workers’ representation on the *conseils d’administration*, and in making it more accountable. However, it does not seem to have resulted in the workers getting much more real influence in the running of the company. The *conseils* meet rarely, normally between six and 12 times a year. Workers’ representatives complain that they have insufficient information, and that many major decisions are never brought to them: Thomson’s attempt to buy out Grundig, and Saint-Gobain’s buying of shares in the Companie Générale des Eaux provide two instances. They were not even consulted in the 1984 updating of CGE’s planning contract. What seems to have happened is that the workers’ representatives are treated as further union representatives, and the *conseil* as another negotiating committee; something that the FO at least are not particularly unhappy to see happen.

**CONCLUSION**

The most striking aspect of the Socialist government’s policy towards the nationalised industries has been its continuity. The major lines of policy were
established under Dreyfus; a huge restructuring and an influx of state funds. The Socialists were elected largely as a result of the failure of the previous government to solve the economic crisis. The policy towards the nationalised industries was the Socialists' answer to the crisis and other aims were subordinated to it: most notably the ideas of autogestion. The eventual shape of the Law for the Democratisation of the Public Sector bore, like the main package of the Auroux laws, the marks of an attempt to reform collective bargaining rather than to introduce autogestion. Equally, the PCF, whose policies for the public sector were designed with self-preservation in mind, was allowed no say in how the industries were actually run.

The Socialist policies have remained intact despite changes in policy in other areas and a procession of Ministers of Industry. There are, however, two exceptions to this continuity. The first, the abandonment of attempts to create national filières, is less important. It was pursued only by Chevènement, and made sense only within the framework of tariff protection. Without this framework there seems little reason why even those who insist that comparative advantage is made and not given would not rather concentrate investment on areas of national excellence. The second exception is much more important. The nationalised industries are no longer seen as the central creators of employment. Consequently, while still important, they cannot be the sole focus of industrial policy.

NOTES


2. See G. Ross, Workers and Communists in France (Berkeley 1982), pp.223–5 for a discussion of the division of labour between the PCF and the CGT over these documents.

3. A good example of this approach can be found in A. Boublil, Le socialisme industriel (Paris 1977).


5. Ibid., pp.166–8.


7. These figures are for the share of the public sector in industrial activity excluding energy. For further details see A. Bizaguet, 'L'importance des entreprises publiques dans l'économie française et européenne après les nationalisations de 1982', Revue Economique, 34, No.3 (May 1983), pp.434–65.


11. For an example of complaints about Chevènement's policy as well as his style see the interview with Gandois, former head of Rhône-Poulenc, *Le Monde*, 7 August 1982.
