

Neoliberalism à la française

About: Bruno Amable, *Structural Crisis and Institutional Change in Modern Capitalism*, Oxford UP

By Matthew Soener

From Mitterrand’s “rigueur” to Hollande’s “mandate,” Bruno Amable charts the transformation of French capitalism and reveals the making of a political crisis.

Social discontent is palatable in France. The Macron government’s proposed pension reform in 2019 drew hundreds of thousands of people to the streets and sparked the longest transportation strike since 1968. This followed a year of protests by the yellow vest, or gilets jaunes, and, before this, the Occupy Wall Street style nuit debout movement against labor market reforms.

Bruno Amable’s *Structural Crisis and Institutional Change in Modern Capitalism* provides a detailed historical analysis of the French economic model over the past 50 years that can help us understand the present conjuncture.

While France never embraced the brazen free market reforms of Thatcherism and even has “certain tradition of contestation of neoliberalism and capitalism in general” (p. 2), Amable shows the French political class have long been committed to “supply side” reforms. That is, trying to boost profitability for employers in the hope they invest, hire, and ultimately stimulate growth. These reforms have sowed social cleavages and political realignments. By the 2010s, Amable contends France entered a

systemic crisis in which the political class has no viable strategy for solving existing social and economic problems.

Theorizing Political Crisis

Amable argues there are two defining turning points within contemporary French capitalism—both of which were taken by socialist party (PS) governments. The first is President Mitterrand’s austerity agenda (*plan de rigueur*) beginning in 1983. The second is President Hollande’s new political “mandate” beginning in 2012. It was under Hollande that the pro-business gestures of Mitterrand’s term became fully realized. No longer would there be any compromises with the Left. The PS would instead consolidate their base around high-skilled urbanite professionals and the upper-classes, or what Amable terms the *bloc bourgeois*.

Structural Crisis is organized around understanding these two key events. Chapter 2 provides a longer-term perspective on economic ideas in France. In Chapter 3, Amable details Mitterrand’s reforms and the subsequent political consequences of this. The last main chapter before the conclusion, continues this history but focuses heavily on the run-up and presidency of François Hollande.

To set the stage for the book’s themes, Chapter 1 gives an overview of French economic performance. Amable notes that since the 2010s, economic debate is oriented around France’s perceived poor performance. Certainly, this is the country’s reputation. Liberal publications like *The Economist* describe the French economy with adjectives like “sclerotic,” “inflexible,” and “bloated” while blaming politicians for shirking necessary budget cuts and privatization deals—what Amable calls the “political cowardice thesis” (p. 34).

What’s the reality? Amable shows that economic growth has been somewhat mediocre. However, growth in France, like all advanced economies, has been lower since the 1980s as compared with the prior decades. By other standard measures, France looks quite competitive. Labor productivity tracks Germany, public debt is in check, and even labor costs in France are comparatively low. Surprisingly, even lower than the UK.

Even with the unemployment rate—the standard go-to metric to prove France’s rigidity—the story is more complex. True, the rate is high, around 10%, but Amable

makes two points. First, there's a strong age effect. The employment rate for prime age workers (25-54) is comparable to other high-income states. Second, France has low part-time employment. That is, the reason countries like the UK, the Netherlands, and Germany have low unemployment rates is because many people are working (often "involuntarily") part-time.

To understand these trends and the broader history of French capitalism, Amable draws us to institutions. Institutions "channel and regulate" social conflict. His definition departs from many accounts in political science which view institutions as a way for creating equilibrium. For Amable, this is misleading and ahistorical. It suggests more political compromise than there is and overlooks how institutional change creates political crises. Instead, Amable adapts mainstream political science's interest in institutions by fastening Marxist themes about class power and ideology.

Institutions are governed by a "dominant social bloc" whose interests define the "general interest" of society through expert led policy groups and political rhetoric. This group is the *bloc bourgeois*, a credentialed class of managers and skilled professionals. This definition departs from an orthodox Marxist emphasis on property ownership, but nonetheless has historical and sociological purchase. The American critic, Christopher Lasch, noted as early as the 1970s of a rising "new managerial elite" whose cultural influence was deep enough to obfuscate their class power.¹ In light of this trend, sociologists like Erik Olin Wright have argued professionals and managers should be seen alongside property owners as socially dominant.² Amable's *bloc bourgeois* corresponds to this broader class concept as well as the distinctively French concept of *les cadres*. Moreover, *bloc bourgeois* is perhaps most sociologically salient insofar as it is oppositional to other class interests. He stresses their "dominant characteristic was the exclusion of the working classes" (p. 115).

The arc throughout *Structural Crisis* is that following the political and economic constraints of the 1970s and early 1980s, the PS tried to restore a dominant political alliance. By consolidating power around the *bloc bourgeois* in the 2010s, however, they lost a broader political vision.

¹ See Christopher Lasch. *The Cultural of Narcissism: Life in the Age of Diminishing Expectations* (WW Norton), p. 218.

² Erik Olin Wright. *Class Counts: Comparative Studies in Class Analysis* (Cambridge).

The Roots of Liberal Reform

When François Mitterrand began his presidency in 1981, he launched a series of progressive reforms like raising the minimum wage, increasing family, and old age benefits, new social housing policies, and hiring 55,000 new civil service workers. Under fiscal pressure, however, he reversed course by 1983. The PS government, especially under the influence of Jacques Delors and Michel Rocard, sought standard neoliberal goals like limiting deficits and increasing market competitiveness.

Amable provides a long-term perspective to this well-known political shift in the 1980s. Mitterrand's brand of neoliberalism was not entirely new nor was it imported from neoliberal seedbeds like Austria, America, and England. In fact, the term "neoliberalism" was coined by a French industrialist, Louis Marlio.³ He was part of a group of intellectuals in the 1930s within the *colloque* Walter Lippman. Along with philosophers and economists like Raymond Aron, Louis Rougier and Jacques Rueff, the group helped define neoliberal ideology and the ideas of highly influential members like Friedrich Hayek. Importantly, the *colloque* was opposed not just to socialist planning but to free market policies too because they led to monopolies and plutocratic power (p. 69). Amable tells us they instead sought a "third way" where competent technocrats could properly order markets, protect property rights, and minimize democratic input.

The postwar French model of *dirigisme* was built on these principles. Politically, Amable tells us that the political class kept the French Communist Party (PCF)—a party that received more than 25% of the vote in 1947—out of governing coalitions. Additionally, he tells us the Fifth Republic's constitutional framework stabilized the Right parties while the non-Communist Left's opposition to nationalization policies, and labor's outsider status diluted a genuine Left program.

By the time Mitterrand came to power, there was therefore more institutional space for experimenting with neoliberal policies to deal with the economic problems at that time. The new orthodoxy became championing competitiveness by increasing profits (which rose significantly from 1981-9), wage moderation, and even tolerating unemployment if needed so that businesses could reinvest. By the Chirac era, there

³ See Quinn Slobian's *Globalists: The End of Empire and the Birth of Neoliberalism* (Harvard), p. 93.

was momentum for privatization programs, pension reform, relaxing layoff and dismissal protections, and sanctioning of short-term work contracts.

Consolidating the *bloc bourgeois*

Throughout the 1983-2002 period, the PS balanced their increasingly bourgeois support with their traditional base by passing corporate governance reforms and financial liberalization in exchange for some employment protections. Amable notes this electoral dilemma resulted in “campaigning with a left manifesto,” but then “disappointing the left social base because of the policy options taken after the electoral victory” (p. 146). Lionel Jospin, for example, campaigned against privatization in 1997 but the number of privatization events and the decline in public-sector employees from 1997 to 2002 topped prior Right governments.

The Front National (FN) was there to pick up those disappointed voters. After the Cold War, the FN swapped their support for economic liberalism (and European integration) for protectionism but kept their anti-immigrant rhetoric. Amable tells a revealing story about how the center left dealt with this. The think tank Terra Nova had published a report in 2011 recommending the PS abandon their traditional working class base. The group drew on ideas in mainstream political science called “de-alignment” that said voters were divided by either economic redistribution *or* “cultural issues” (e.g. gay rights, feminism). Based on this, Terra Nova calculated that global markets have made economic security impossible to satisfy and the working class were too culturally conservative to be saved.

The problem with this tradeoff between economic security and cultural liberalism is that it’s highly simplistic at best and unfounded at worst. Amable shows with statistical results from the 2012 electoral survey that FN voter preferences are completely in-sync with right-wing economic policies. They are strongly opposed to nationalization, less likely to believe people are unemployed for structural reasons, and less likely to think the government should be focused on reducing inequality. In fact, by these measures, the only thing that separates FN voters from the right of center, Union for a Popular Movement (UMP), is that they are more likely to believe there are too many immigrants in France (pp. 198-203).

The PS nonetheless moved on from their traditional base and their preferences were no longer hidden or subtle. This was clear with the El Khomri labor law which imposed sweeping labor market flexibility. In Amable words, the law “went beyond what the right governments had even simply envisaged doing over the past four decades” making it “the most important attack on employment protections ever” (p. 228). The bill lacked support not only by the public but deputies in Hollande’s own party and so had to be enacted through special constitutional powers.

By this time, however, Amable argues the *embourgeoisement* of the PS was complete. He cites figures showing that “high-skilled and intellectual professions” are 51% of party membership while blue collar or clerical workers make up 17%—figures that are an “almost perfect symmetric inverse of the French employed population” (p. 233). Amable argues this class constituency has produced a narrow set of political concerns and economic policies that are not meeting people’s expectations. Profits grew under Hollande, but investment and employment did not (pp. 224-5). This has only deepened the fragility of the political order.

Amable’s book expertly demystifies the French model and puts the current situation into sharp perspective. France has long been an advocate for supply side policy, despite its reputation. And while the book is obviously centered on a single country, his thesis that left of center parties were critical for fostering neoliberalism applies at least to the US, the UK, Germany, and Sweden.⁴ France may therefore have something to tell us about broader historical trends. In this sense, if France is a model of neoliberalism and, later, political crisis, then the question now is whether the latest protest wave will become a model for opposing it.

Bruno Amable, *Structural Crisis and Institutional Change in Modern Capitalism. French Capitalism in Transition*, Oxford University Press, 2017, 288 pp.

⁴ Stephanie L. Mudge. *Leftism Reinvented: Western Parties from Socialism to Neoliberalism* (Harvard).