

Socialist 'modernisers' set a radical agenda before French election

Influential voices have dared question the left's stand on sacred cows such as Franco-German parity and agricultural subsidies, writes **Robert Graham**

A group of "modernisers" in the French Socialist party of prime minister Lionel Jospin have called for a radical rethink of the left's attitudes towards Europe and the free market in a pamphlet published today.

The pamphlet marks the first serious attempt by influential Socialists to challenge established views on taboo subjects that range from control of the public sector, the role of the state, defence of the Common Agricultural Policy (CAP) and the French "cultural exception".

"We want to put some coal on the fire of the European debate," says Pascal Lamy, the EU's trade commissioner who has co-authored the document in his role as party activist.

The 130-page pamphlet, called *The Europe We Want*, comes before France's April presidential and June parliamentary elections. It coincides with the launch this week of a weighty book of Socialist reflections with many similar policy ideas penned by Dominique Strauss-Kahn, the former finance minister.

Mr Strauss-Kahn's book marks the return to the political stage of the most influential and charismatic moderniser in the Jospin administration, two years after he was forced to resign from the finance ministry to clear his name in a judicial corruption enquiry.

Mr Strauss-Kahn has been closely consulted over the pamphlet and is linked to its sponsors, the Fondation Jean-Jaurès.

The other main author,

Jean Pisani-Ferry, was chief economic adviser to Mr Strauss-Kahn at the finance ministry and runs a think-tank set up by Mr Jospin.

The timing, and the prestige of the authors, looks set to give the two publications a high profile. With crucial decisions on the enlargement of the European Union ahead and France especially concerned about the impact of expanding the EU to 25

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They warn that without change in this defensive malaise, the French people, not least the left, will become increasingly alienated from Europe.

This could then create a vicious circle - removing France from any role influencing the shape of Europe, while the absence of influence would in turn alienate citizens further from the EU project.

Accompanying this analysis is a list of some 40 proposals covering a broad swathe of EU political, social and economic fields. These include: a convergence pact for EU candidate countries; redefining the European Central Bank's inflation guidelines from a 2 per cent ceiling to a 1-3 per cent band; fixed presidency for the Eurogroup and binding obligations on states to contribute over all substantial changes in economic policy; linking a European energy

Economic Forum in New York.

"Having long believed that Europe was built in their own image, the French today suffer from not being able to recognise themselves in it," the pamphlet says.

It goes on to criticise the prevailing defensive mentality towards Europe: "France seems only able to fight to preserve existing gains (acquis); hence the obsessional concern and ultimate impotence over preserving Franco-German parity."

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EU trade commissioner Pascal Lamy: 'We want to put some coal on the fire of the European debate'

with a particular focus on France itself. He champions tax reform, streamlining the civil service with performance targets and a partial privatisation of EDF, the electricity giant.

On the political front, he argues for a big constitutional change - eliminating the post of prime minister and the left

and reinforcing the role of parliament to balance a stronger presidential system. Abolition of the premier's job may well seem logical in an enhanced presidency. But it comes from a man seen as a potential next prime minister, should Mr Jospin win the presidential elections and the left

retain control of parliament.

- * *"L'Europe de nos volontés"* - Pascal Lamy - Jean Pisani-Ferry, Fondation Jean-Jaurès. Pion €7.50
- * *"La Flamme et la cendre"* - Dominique Strauss-Kahn, Editions Grasset €20.

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Pavel Koncev, the new hardline leader of the former communist Democratic Left, persuaded the party's executive on Saturday to call for Mrs Schmoegnerova's resignation, ostensibly because of the unpopularity of recently introduced property declaration forms.

Mrs Schmoegnerova, a leading member of the social democratic wing of the party, yesterday refused to resign but admitted she expected to be dismissed today.

She said she would probably be replaced as finance minister - a Democratic Left fieldom - by Peter Magvash, the leftwing social affairs minister.

Mrs Schmoegnerova said she feared her replacement could slow reform and cause the Democratic Left to become more obstructive in the six-party coalition government, which is in the midst of European Union accession negotiations.

Mrs Schmoegnerova was instrumental in stabilising the overheated economy bequeathed by the government of Vladimir Meciar, and in promoting a wide programme of structural reforms.

Economic growth has recovered to an expected 3.3 per cent last year, while the reform drive led to membership of the Organisation and Economic Co-operation and Development and the country regaining its investment grade credit rating.

However, unemployment has soared to about 18 per cent - one of the highest rates in Europe - while real wages only began growing sluggishly again in 2000.

Mrs Schmoegnerova said she was being removed because of a party feud - the "strong belief that if they get rid of an unpopular finance minister this will raise the popularity of the party".

Democratic Left opinion poll ratings have sunk below the minimum 5 per cent required for parliamentary representation, partly because the party has been associated with the austerity of Mrs Schmoegnerova, once dubbed "Brutal Brigitte". With elections due this autumn, the party is desperate to recover support.