Article

Not peer-reviewed version

# Bad Company: Daewoo and France, 1987–2003

Jill Harsin *

Posted Date: 25 September 2024

doi: 10.20944/preprints202409.1864.v1

Keywords: globalization; France; Daewoo; Thomson; unemployment

*Article*

# Bad Company: Daewoo and France, 1987–2003

**Jill Harsin**

Department of History, Colgate University Hamilton, NY, USA; jharsin@colgate.edu

**Abstract:** The region of Lorraine in France witnessed the collapse of the steel industries in the late twentieth century, causing massive job losses and social devastation. Daewoo Electronics, a division of one of the great Korean conglomerates of the 1980s and 1990s, came to Lorraine in eastern France in 1987. They were lured there by generous French government subsidies and the chance to enter the European market. They opened three factories in consumer electronics and components, and also nearly acquired Thomson Multimédia, a state-owned consumer electronics factory, from the French government "for a single symbolic franc." The resulting uproar, from political opponents and Thomson and Daewoo employees, ended the deal and soured their relationship with France. Daewoo employed just over a thousand people before they closed in 2003, a result of the collapse of the entire Daewoo Group. This article places this sequence of events, widely covered in the media, in the context of French anxiety about globalization, the loss of industrial substance, and France's place in a changing world. It is suggested that this episode, occurring at a critical juncture in the transformation of industrial capitalism into a service and digital economy, illustrates the difficulties of this period and the media coverage of factory closings.

**Keywords:** globalization; France; Daewoo; Thomson; unemployment

---

## 1. Daewoo and France

Dominique Manotti's *The Lorraine Connection* (2006) is a near-perfect example of the contemporary French *polar*, a type of noirish detective novel that grafts fictional characters onto well-known events and purports to tell the real story behind nefarious government cover-ups.[1] The scandal chosen by Manotti had erupted into the political scene in late 1996. It involved the alleged corruption behind the privatization of the state-owned electronics giant, Thomson, and the South Korean firm Daewoo's attempt to take over the Thomson television factory in Angers. The most arresting aspect of the book, however, is its setting in one of the desolate new Daewoo factories in the Longwy basin of eastern France in Lorraine. "A strange place," Manotti writes, " this hastily-erected sheet-metal cube on wasteland in the bottom of a valley overgrown with weeds and scrub. It stands on the site where, less than a generation ago, the Lorraine blast furnaces roared, one of the world's most powerful iron and steel industries."[2]

Daewoo Electronics, a division of one of the great Korean conglomerates of the 80s and 90s, came to Lorraine in eastern France in 1987, lured there by generous French government subsidies and the chance to enter the European market. They opened their first factory, producing microwave ovens, in Villers-la-Montagne in 1989; their second, a television factory in Fameck, in 1993; and their third, a cathode tube factory in Mont-Saint-Martin, in 1995. They considered other potential factories as well, also in consumer electronics or components; they very nearly acquired Thomson Multimédia (TMM), with the blessings of the French government, in 1996. They employed just over a thousand people before their closings in 2002 and 2003, a result of the collapse of the entire Daewoo Group.

This article will argue that the Daewoo episode illuminates French anxieties about globalization, factory closings, and France's place in the world. Though outright corruption was unlikely in the Thomson privatization affair,[3] there was a great deal of cronyism and lobbying, and most importantly, "inattentiveness,"[4] on the part of the conservative government, which nearly gave away a valuable civil and defense electronics firm for "a single symbolic franc." The focus will be on

Preprints.org (www.preprints.org) | NOT PEER-REVIEWED | Posted: 25 September 2024 doi:10.20944/preprints202409.1864.v1



three aspects of this situation: first, Daewoo and its entry into France as a part of the French government's attempt to re-industrialize Lorraine; second, the controversy surrounding the privatization of Thomson, which developed into resentment of Daewoo and its treatment of its workers; and third, the turn-of-the-century public debate about France's decline.

**2. Daewoo and Lorraine**

Daewoo (meaning "Great Universe") was one of the top chaebols in Korea, a group that includes such names as Hyundai, Samsung, and LG. Chaebols were family-owned-and-managed conglomerates, active in many fields of manufacturing, invested throughout the world, and with a certain glamor as a new type of globalized capitalism that had turned South Korea into an economic powerhouse. They focused their efforts on export because their internal markets were small, and they began with relatively low-cost consumer goods, including textiles and small appliances.[5] The Daewoo firm had been started in 1967 on a shoestring by Kim Woo-choong, and over the course of 30 years he had built, acquired, and diversified; just before the company's collapse in 1999, according to *The Economist*, Kim had 200,000 employees throughout the world, and "the company made just about anything, anywhere: ships in South Korea, microwave ovens in France and fertilizer in Vietnam."[6] Unlike Hyundai and Samsung, which sold under their own brand names, Daewoo had been willing to manufacture under different names. Kim recounted in his memoirs how, in the early 1970s, he had brought sample cases of shirts, waiting in receptionists' offices at Sears for hours and days until he finally spoke with a buyer; that was the beginning of a long relationship with the company.[7]

The reliance on the conquest of external markets was aided by chaebol monopolies of government-authorized General Trading Companies which, if successful in gaining contracts, increased their access to loans.[8] After Daewoo's fall and the indictment of 34 executives including Kim himself, the *Wall Street Journal* described Daewoo as "the symbol of aggressive expansion on borrowed money."[9] Subsequent investigation, by journalists and by the Korean government, revealed mismanagement and "opaque" accounting. In 2003, in an interview (while he was in hiding in southeast Asia) Kim admitted that he had frequently moved assets, including loans, among the various companies of his empire, falsifying the documents in attempts to keep each company solvent.[10] He claimed that everyone did it.

In late 1997, the Asian Financial Crisis engulfed Korea, much of it driven by the problems of the chaebols and the merchant banks they controlled. The International Monetary Fund (IMF) intervened at the request of the South Korean government. The problem, in a subsequent IMF summation, stemmed from several factors. First, there were "mismatched loans," that is, short term loans for long-term projects. Second, there was an expectation that the banks, perhaps under government pressure, would simply renew the loans because the chaebols were too big to fail. Typically banks had lowered interest rates or rolled over the loans, while the companies "reformed themselves." But in the late 1990s even this toothless course of action did not occur, not only because of the magnitude of the crisis but also because of the upcoming presidential election. The third and most important problem, perhaps particularly with Daewoo, which continued to be run by its founder, was the lack of an adequate corporate governance structure. There was no division between ownership and management, a fact which often led to autocratic and ill-considered decisions. The Boards of Directors tended to be staffed by family members, leaving no opportunity to take advantage of outside shareholder expertise.[11]

The crisis crushed many smaller chaebols. Others restructured during the year 1998, focusing on their main activities and divesting themselves of "non-core" businesses.[12] Kim instead continued to expand in 1998, borrowing and acquiring 14 subsidiaries (added to his 275 existing companies) and adding 40% more debt, even as his group lost $458 million in the course of that year.[13] Kim, as he continued to buy, further entangled his companies with promises of debt guarantees from one entity to another.[14] Thus the empire, 80 billion in debt, unable to get more loans or even a freeze on interest payments, collapsed all at once, in August 1999. Kim later mused that his downfall had been in trying to build up Daewoo Motors, which had become his chief concern, too fast; and Daewoo

Motors had taken down everything else.[15] He was convicted in absentia of corruption and fraud.[16] A General Motors executive, later commenting on why the on-again-off-again partnership with Daewoo had foundered, explained that "we wanted only to increase our market share in Korea. They wanted to conquer the world, and do it with debt."[17]

In its time of expansion in the late 1980s, Daewoo had seized upon an opportunity to establish itself in France. It seemed to be a perfect meeting of needs. After the Thirty Glorious Years of the postwar period, after the oil crises (1973-74, 1979), France had begun a decades-long period of high unemployment. In 1981, the first year of the Socialist President François Mitterand's term, it rose to 7.1%. From then on, and up to the last available figure (2023, at 7.3%), the unemployment percentages never slipped below that number, even rising to 10.3 during three straight years of the Hollande presidency.[18] As for Daewoo, they had turned to "delocalizing," or the building of factories abroad, in order to have freer access to new markets.[19] These were often in the form of an "assembly factory," or a "screwdriver factory" (*l'usine tournevis*) where unskilled workers assembled components manufactured elsewhere within the Group.[20]

Eastern France in particular was suffering the collapse of the iron and steel industry. In 1955 the iron mines of Lorraine had employed 25,000; the last Lorraine mine, Terres rouges, closed in 1997, by which time it had only about 137 employees. The area around the small town of Longwy (town population about 15,000) between 1974 and 1995 lost 22,000 jobs, or 93.5% of its total; the steel industry as a whole lost approximately 110,000 jobs, most of them in Lorraine.[21] The worst period of job losses in the steel industry as a whole came in 1977 (slightly under 11,000), 1978 (slightly over 11,000) and then 1980 (15,000), with a continuing average of several thousands of terminations every year.[22] In February 1994, Gérard Longuet, Minister of Industry, met with the union leaders of the coal miners to tell them that their mines, too, which had already started closing, would all be gone by 2005, because they were losing money.[23] France still made steel–the Dunkerque steel mill, one of the largest in Europe, had opened in 1963; but the mills in Lorraine were outdated and unprofitable.[24]

The loss of these industries and resources–which crossed national boundaries, into Belgium and Luxembourg–led to the creation of the first *Pôle européen de développement* (PED). The small *transfrontalière* area, anchored by Longwy (Meurthe-et-Moselle) in France, Athus in Belgium, and Pétange in Luxembourg, was founded in 1985 for a term of ten years.[25] The basic idea behind the effort was to "reinvigorate and diversify" the local economies, with the idea, at the same time–especially for Jacques Delors, who headed up the European Commission–to set up "the laboratory of Europe," through the creation of genuine cross-border institutions.[26] The three regions would be supported by their own governments, both national and regional, as well as by European development funds (*Fonds européen de développement économique et régional*, or FEDER). The plans called for a multiyear project to clean up and transform the sites of old factories into attractive industrial parks for new businesses, to improve the transportation infrastructure, and to create services that would help entering industries with regulations, subcontractors, and the recruitment of workers. The whole would be organized and monitored by a joint management group among the three countries, and firms would be given generous subsidies of 30% or more of their investment to defray the cost of their establishments in the region.

A 1995 interview with Sung Lee, president of Daewoo Electronics in France, stated that their strategy was "*globalisation et localisation*." As of 1995, 20% of their products were produced outside of Korea; they wanted to get to 60% by 2000. Villers-la-Montagne had manufactured microwaves since 1989 and Fameck had manufactured televisions since 1993. Mont-Saint-Martin had begun in October 1995 to produce its first cathode tubes. They had chosen Lorraine for its available manpower, its centrality to the rest of the European market, and the aggressive generosity of the French government, though he declined to say how much in grant support they had received. They planned to expand Mont-Saint-Martin, since they were as yet only occupying a quarter of the large new building. They were also expanding their production elsewhere: Villers-la-Montagne had started with 100,000 microwaves per year; now it was up to 1.5 million units, and was producing for Daewoo's entire European market. They were studying the feasibility of another television components factory in the

Preprints.org (www.preprints.org) | NOT PEER-REVIEWED | Posted: 25 September 2024 doi:10.20944/preprints202409.1864.v1



region. They had recruited as director of production for the new Mont-Saint-Martin factory a French engineer who had worked in responsible positions for GM, Thomson and Moulinex.[27] They were, in short, becoming embedded in the terrain.

There were also some warning signs. They manufactured low-end appliances, but they had talked of a new refrigerator factory in Verdun, of a *haut de gamme* quality that would rival Bosch. In February 1996 the president of the autonomous Basque government announced that Daewoo was going to invest 400 million francs in a refrigerator factory in the region.[28] Dr. Soon Hoon Bae, the head of European operations of Daewoo, had assured the president of the Lorraine Region, Gérard Longuet, that the Verdun project was merely delayed. Soon Lee, president of Daewoo Electronics France, was less definite: the Basque plant would produce 300,000 refrigerators annually, "and we are waiting to know the results on the European market, before launching the construction of the other factory at Verdun." They also needed to take account of the economic crisis in Asia.[29] By December 1997, the Verdun plans had been suspended.[30]

Nor had Daewoo "implanted" itself in the region by developing relations with subcontractors. In 1996, at an enterprise fair held by government officials and business groups, Fameck televisions revealed that only 4.5% of their purchases were from local suppliers. Hubert Ress, head of a maintenance firm with 30 employees, spoke for a number of small businesses when he stated that "les grands" often seemed to regard the locals as the "last recourse."[31]

### 3. The Privatization of Thomson, 1996

In early 1996, conservative President Jacques Chirac asked his Prime Minister, Alain Juppé, to initiate the process of privatizing the state-owned electronics firm Thomson by asking for proposals. The decision to privatize was based on a pragmatic analysis of the incompatibility of the government's role as shareholder (seeking profits) and as guardian of the country's industrial and technological base.[32] Two French electronics firms soon made known their interest: Alcatel and Matra (a part of the Lagardère Group). Juppé had asked Bernard Ducamin, a *haut fonctionnaire* who had recently retired from the Conseil d'État, to evaluate the offers.[33] After a summer of speculation, Alain Juppé suddenly announced publicly, on October 16, that it would be Matra. He explained, in a contentious National Assembly session, that the choice had given preference to the creation of a large, world-class defense industry with a strong export potential. Matra had made it very clear, he added, that they wanted to spin off Thomson Multimédia (TMM) to Daewoo, "which had very important industrial establishments" in Lorraine, adding, "We will then have on our territory the world leader of consumer electronics." Juppé noted sharply that since Thomson's nationalization in 1982 (under Socialist President François Mitterand), the firm had not received the necessary funds for investments and modernization, and that it "was time to pay the bill"--thus the state, or taxpayers, would recapitalize, for about 11 billion francs, before handing it over, along with some very generous tax breaks.[34] In exchange, Matra and Daewoo would each pay "one symbolic franc," Juppé stated, for taking the debt-ridden enterprises off the government's hands. (According to *Le Monde*, in their offers both Matra and Alcatel had evaluated Thomson SA as having a negative value, and as insisting that the state "recapitalize" the enterprise.[35]) Matra and Daewoo would also pay off the debts of the company, but the details of that part of the deal were and remained unclear. The independent *Commission de privatisation*, which had to approve, had just received the dossier, but Juppé apparently assumed that they would follow his stated "preference."

*L'Express* featured a detailed accounting of the extensive lobbying done by Jean-Luc Lagardère for Matra,[36] but also, along with *L'Usine nouvelle*, tried to explain the rationale for choosing his company. Thomson had two main divisions: Thomson CSF, with the focus on defense electronics; and Thomson Multimédia (TMM), which featured projects in the very fast-changing consumer electronics field, of which the flagship was the television factory in Angers. The two proposals were described differently, but each envisioned a sort of conglomerate with separate divisions, each with its own sectoral partner and a strong focus on defense. *L'Usine nouvelle* ventured the suggestion that the two organizational plans were not, in reality, all that different, with the one major exception that Matra did not want to integrate TMM into its conglomerate. Alcatel did, with the argument that there were significant crossovers between the development of commercial and defense uses.[37] Nevertheless, it was Matra that got the nod, on the grounds that this takeover would allow Matra to become a full service weapons supplier, second in the world only to Lockheed Martin.[38]

The Juppé government seemed unaware of some of the red flags around Daewoo, though they should have been. A *Fortune* and CNN article that appeared in May, 1996–only a few months before the decision–was friendly, but raised issues about the wisdom of some of the choices made by the Daewoo Group. The reporter had followed Kim to Poland to look over his latest purchase, the Soviet-era FSO car factory, established in 1948. Kim had won out over GM by promising to invest 1.1 billion dollars into the firm, and by agreeing to maintain the 21,000-strong workforce without layoffs for at least three years, a jaw-dropping concession. (And a problem later, as the *Wall Street Journal* reported in 1999, suggesting that the "bloated workforce" led to "inefficiency."[39] ) He had just purchased a truck manufacturer in Lublin (for 340 million), where the workers were already assembling vehicles from "kits of components" being shipped at "no charge" (sic) from Korea. He had also recently purchased a television factory in Poland, putting him at the top of foreign investors in that country.[40] He seemed to be making Poland, rather than France, his headquarters in Europe, with the plans for the building of the 42-story Warsaw Trade Tower, for which he put up one-third of the $120 million. By 1999 the outer shell of the building was nearly up, and the local agents were renting out the office suites; only 21% had been rented, all to Daewoo affiliates.[41] Or perhaps its European seat would be Francfort, as *Libération* reported in early 1996.[42]

After Juppé's statement, there were many specific questions which the government was apparently not prepared to answer. Henri Gibier, long-time editorial director of *Les Echos*, a financial journal, published a deep dive into some troubling issues in *l'Express*, a little over a week after the choice was announced.[43] Lagardère's holdings were all integrated into a *société en commandité*, run by Lagardère Capital et Management–that is to say, in reality, by Jean-Luc Lagardère, who essentially made all the decisions, with no serious check by investors[44]-- a structure like nothing so much as the fifteenth century Medici Bank.[45] But considering this form of organization, could the French government have a "golden share" in the group, which would give them input into the major strategic decision-making by the company–for example, to prevent a move to a foreign country?[46] Would Thomson be restructured and embedded within Matra? When the government recapitalized Thomson for 11 billion francs, how much of that would go to Daewoo, as a foreign entity? (9.9 billion, as it was finally revealed.[47])

Giving TMM to Daewoo, a foreign company, also seemed to violate a long-standing French policy of not allowing foreign takeovers of existing French firms. This understanding had developed in the 1960s and 1970s, when the French feared "Americanization" and instead promoted mergers among French companies to develop French "national champions."[48] In 1970, President Georges Pompidou, speaking in New York, essentially outlined the sensibilities that continued to prevail: "We will not accept being considered only as a 'consumer market'. This leads us to desire 'production,' that is, the establishment of factories. . . . That is why we are entirely open to the implantation in France of American corporations, but we adopt a selective attitude towards the takeover of French enterprises by foreign groups of whatever nature."[49] All such attempts, in fact, required approval by the Minister of Finance, a policy first carried out under Finance Minister (later President) Valéry Giscard d'Estaing during the Charles De Gaulle administration in the 1960s.[50] Their more restrictive policy, later on, would also be affected by the need for European Commission approval of new investment; the EC study of the Basque refrigerator plant, for example, included a rather extensive survey of the refrigerator market in Europe–which they concluded was stagnant.[51] And finally, a reporter asked Minister of the Economy, Jean Arthuis, why Daewoo's heavy debt burden had not stopped the approval. Arthuis, who had favored Alcatel, had avoided a direct answer.**[52]**

Immediately the Thomson workers of the Angers television factory protested, on the grounds both of national interest and skepticism about Daewoo's motives in the deal. At issue were the 1,400 people working at the Angers factory, and an additional 2,500 workers who were subcontractors. The CEO of Daewoo Electronics, Soon-Hoon Bae, did not reassure them: "I would like to be able to restore Thomson Multimédia without suppressing jobs in France."[53] Michel Bouyer, local head of the labor union *Confédération française démocratique du Travail* (CFDT) at Thomson-Angers, stated that it was obvious why Daewoo wanted the company: it would allow them to take over the reputable brand names held by Thomson (RCA, for example) as well as their extensive Research and Development program.[54] The visit of Daewoo executives to the Angers plant before the announcement had been less than reassuring; union leaders had been unable to get a meeting with them.[55] One CFDT union member was quoted as saying that the workers objected neither to privatization nor to creating a big defense firm in France, but that "it should have been done around Thomson. Instead of that, we're being sold off to a group [Lagardère] that is only a conglomerate of joint ventures."[56] They resented the implication made by Juppé that Thomson was worth only "a single symbolic franc," seeing this as both a "provocation" and an insult.[57] An unnamed worker at TMM complained that Daewoo "had never invested in research."[58] Undoubtedly there was also resentment at the Lagardère Group's public scorn for their "outdated" production facilities.[59] With Juppé's statement that TMM was "worth nothing," Alain Prestat, CEO of Thomson Multimédia, began to defend the firm in public. He acknowledged that TMM had been "practically given up for dead" in 1991-1992 because of their acquisition, in 1987, of the consumer electronics division of GE/RCA. They had gone into debt. Since then, however, they had built back up, had not asked for taxpayer money since 1992, and were number 1 in the American marketplace with 20%, number 2 in Europe with 12%. He refused to comment on the deal with Daewoo; he simply wanted to reestablish the truth about the firm.[60]

Leaders of the Socialist Party declared in late October that they were opposed to the privatization and were planning to take legal action; the law of August 6, 1986, which authorized privatizations, required the approval of the Commission, and Juppé had simply presented that body with a "fait accompli." In the face of such criticism, Juppé doubled down on his rhetoric, stating that taxpayers should no longer have to pay for a "badly managed company."[61]

Union leaders at the three existing Daewoo plants in Lorraine also protested, using the episode to bring attention to their own conditions. The pay at these factories was minimum wage, with no training and incentives, according to CFDT representative Jean-Bruno Cordier at Daewoo-Orion in Mont-Saint-Martin. Morale was low, and turnover in that first year, Cordier said, had amounted to about 50%. Minor infractions (he mentioned bringing a croissant to work) were punished with janitorial duties. Most troubling were the safety violations–they stood at the assembly line with no breaks, people worked with paints and acids without masks, and a visiting Korean engineer had been "caught up" in one of the machines and killed (he was decapitated).[62]

The death of the engineer led to a fine of 400,000fr. The factory was put under judicial supervision for two years as they developed a safety plan; safety inspectors had already sent multiple warnings to the plant. Daewoo planned to appeal, their lawyer noting that they were one of the largest foreign investors in France, and that the French government should "show confidence" in them as they worked to correct the "weak points," noting that 3,000 jobs (about 2,000 of these merely projected for the future) were at stake as well as 3 billion francs in future investments (also a projection).[63] By the time of this court case in the spring of 1997, the relationship between Daewoo and the French government had already been irrevocably damaged.

The *Commission de privatisation* brought forward its report in early December 1996. Their decision was negative. The problem was Daewoo. All of Daewoo's statements, in regard to its own financing, its promises of job creation, and other aspects, had a "unilateral character" with no "judicial obligation" toward the state. Lagardère had promised to serve as their guarantor, but his Group had no power to enforce or sanction. Since Lagardère's offer was linked with Daewoo, they had to reject the bid.[64] Minister of the Economy Jean Arthuis explained the decision further: "the commission observed that there [would be] a transfer of technology in digital sectors, flat screens, decoders, that this technology is the fruit of research which has been largely financed by public funds and that, unquestionably, the conditions of this transfer in legal terms do not give sufficient guarantees of a perennial establishment on the national territory." Arthuis stated that the Government had chosen Daewoo because of their belief that they would be able to create jobs. He acknowledged that there was no proof that Daewoo would create as many jobs as they promised, and that firm commitments were needed.[65] The government stopped the deal.

*The New York Times* reported the cancellation of the deal with disapproval, even suggesting that racism might have been a factor. France, they said, would have created a "world class defense-electronics firm" from the union of Lagardère/Matra and Thomson, "while salvaging Thomson Multimédia, a heavily subsidized television manufacturer." They added that "Daewoo was—and remains—the only obvious solution." The Morgan Stanley office in Seoul issued a statement that it would be necessary to invest about $1 billion into TMM over the next five years, asking, "Who else can do that?"[66] (Not Daewoo, as it turned out.) The issue of racism was also raised in a subsequent analysis that suggested that Daewoo would have been a good fit for TMM, given the former's experience with rehabilitating old firms; they pointed to some of the rhetoric and images used against the firm (for example, in Angers, the signs and images of the "Korean dragon getting its claws into Thomson.")[67] There was also a clear sense of distance between the French workers and the Korean managers. A 27-year-old worker at Daewoo-Orion had doubts about his decision to take the job, because, "they treat us like dogs. The Koreans provoke us, they stand behind us and demand that we speed up. I often want to punch them but, like the others, I hold myself back."[68] On the other hand, even a *Le Monde* reporter acknowledged that some of the management techniques "are in fact astonishing." In June 1999, just before the collapse of Daewoo, conditions at Daewoo-Orion (the most troubled of the three factories), there were reports that the managers complain that they do not have "team spirit," quoting a worker as saying that "success, according to them, comes from the abnegation of the individual."[69]

In the summer of 1999, the Daewoo Group went into bankruptcy and liquidation.

Interim managers were sent to take over each of the three factories, but they seemed unable or unwilling to discuss the next steps. Morale, for the next two years, was at bottom, as they awaited word.

Villers-la-Montagne was gone by the end of November, 2002. The local CFDT union representative, Barbara Giagnorio, was not surprised. In 1989, she said, when the factory had been opened, microwaves were a luxury item; now they were not. They were, besides, producing only low quality (*bas de gamme)* products, and they had been told that their product line could be produced more cheaply in China.[70] During the three weeks when the plant was closed during the summer, the firm had dismantled four of the five production lines. A brochure had been passed around, according to Giagnorio, of Chinese "hyper-sophisticated" machines, such that they all had the impression that "the Koreans" had allowed the factory to stagnate. All she wanted now, she said, was a definitive closing date and a social plan, or severance agreement.[71]

In late December, 2002, the "mother factory" in South Korea messaged the director of the Fameck television factory that no further orders would be coming in. The closing was soon made official, and December 13 was set as the date for the announcement of the severance terms, for the now 170 employees. Fameck had once projected the production of between 4-5,000 televisions per day; by 2002, it was producing 800, and 100 jobs had already been eliminated. For the social plan, it was reported that they had received payouts a bit higher than the required legal minimum.[72]

Daewoo-Orion, the maker of cathode tubes, the last and the largest of the factories, had felt the most vulnerable to closing, but they continued to receive no official word. The factory had been beset with labor troubles and strikes. On January 3, 2003, about 30 workers blocked the entrances of the factory to prevent "dangerous" chemicals from coming in or out, and also threatened to throw the chemicals into the nearby Chiers River.[73] On January 23, 2003, Mont-Saint-Martin burned to the ground; its size, and its chemical explosions inside, required the calling of firefighters from Luxembourg and Belgium as well as France. The entire stock of cathode tubes was destroyed. Two of the fired workers were arrested, but the report of the workers' party *Lutte ouvrière* questioned the charges, noting that the workers had considered the tubes as a "war chest," as a means of pressuring Daewoo to put in place a severance package for the 550 workers faced with termination. On January 23, they noted, the factory had been "abandoned to its fate"—the lack of supplies meant that there was no work, and the managers had taken no action to secure the site. Four workers were arrested for arson, on the basis of the confession of a co-defendant while he was in custody. In the end, Kamel Belkadi, the on-site leader of the Confédération générale du Travail union (CGT), was sentenced to three years of prison (half of it suspended), and a 30,000 euro fine. In March 2005 he was still going through appeals.[74]

### 4. Mondialisation

Krifa and Vermeire, in looking at "implantations" of multinational firms in Central Europe in the 1990s, posited a useful dichotomy between the "virtuous" and the "vicious." The virtuous foreign investment brought in capital, technology, and skills; included training for its employees; and developed relationships with local subcontractors, thus creating employment opportunities indirectly as well as directly. The vicious company acted as an "enclave" within the territory, had little relationship with local suppliers, and was meant to enhance the multinational company rather than the land it inhabited.[75] Particularly with the last characteristic–enhancing the Group–all multinationals were likely to share some of the "vicious" qualifications. It is also true that some, and perhaps most, multinationals tried to avoid sharing their most advanced technology and, like Daewoo, found themselves "enclaved" in an internal market of components from their own firms.

The Japanese company JVC, which manufactured compact disc players, had arrived at the same time as Daewoo in 1987,[76] when both announced that they would build factories, and left in 1996. A study of JVC revealed that they had invested 80 million francs into the region, with a subsidy of 37.5% of their investment. They had been able to take over an unoccupied factory (of Thomson, as it happened) for "a symbolic 1 franc." In the summer of 1996, JVC announced that it was closing, effective immediately, with pay for the 243 workers until the end of the year. Workers demonstrated, demanded to know why the firm was heading to Scotland with a European Commission subsidy and why they had not invested money in developing new product lines at the Lorraine plant. JVC responded that they had lived up to their obligations: they had invested, they had employed roughly 250 people and had pumped money, through wages and taxes, into the local economy for seven years. And their product line was now obsolete.[77] In the words of one researcher, "The new entrepreneurial localizations are thus less and less stable in a region, but rather implantations of projects which can be at any moment revoked when they are no longer profitable or when they have been maximized."[78] Another characteristic of the "vicious" implantation, it might be suggested, was the screwdriver factory with a single product destined for obsolescence and with no research and development to improve it. Indeed, when one thinks of the technology left over from the 1980s and 1990s, it is clear that this sort of consumer electronics factory had no future without constant reinvention and change.

The first major French government policy study to focus explicitly on "delocalisation" (the moving of factories elsewhere) and "deindustrialization" (the loss of industrial capacity in particular sectors) was issued in 1993 by Mayenne Senator Jean Arthuis, a centrist and Minister of Economics and Finance during the Thomson privatization attempt.[79] The hollowing out of some traditional French industries started first in manufacturing that had been *banalisé*--industries that required some skill, perhaps, but were "old," no longer places of innovation or technological advances: textiles and clothing, shoes, toys. "The emergence of Asia," predicted for many years, "is today before our eyes," he wrote. The competition, moreover, was no longer a matter of cheap unskilled labor, but increasingly involved technology-based products and skilled workers, who worked more cheaply than the French could. "Our businesses are condemned to close or to delocalize in their turn in an attempt to survive. . . . We are at an historic turning point. In the best of cases, we watch it, passive, unable to control it, and in the worst, we prefer to ignore it, to avoid having to confront it. But"–and this was his most concerning insight—"the progression of unemployment will soon threaten social cohesion."[80] Economists Lionel Fontagné and Jean-Hervé Lorenzi, authors of a 2005 Council of Economic Analysis (CAE) report titled *Désindustrialisation, délocalisations,* stressed that the reasons for the moves were not only low wages, but in many cases were driven by a desire to enter the markets of developing nations. China indeed had become the "unavoidable partner," not only because of their large population of potential consumers, but also because Chinese firms insisted on local partnerships, which inevitably meant the transfer of technology, in order to enter their market.[81]

Unemployment was the first and most obvious consequence of délocalisations. And while one could not attribute all unemployment to globalization, the numbers, whatever the cause, were frightening, as Arthuis reported: 2,934,000 people were out of work and seeking employment in October 1992, a number which had risen to 3,066,000 only six months later, by March 1993.[82] Another danger was the loss of knowledge and craft: "In losing production, the enterprises inevitably lose *savoir-faire,* which will no longer allow them to create, to conceive, to innovate."[83] Arthuis also realized, just four years after the collapse of the Berlin Wall, that the new delocalization of choice was eastern Europe, including Russia–with a cheap, educated workforce, close lines of communication with the market (the regional market EMEA, or Europe, the Middle East, and Africa), and special enterprise zones and other enticements.[84] And in this period, though the internet was in its infancy, Arthuis also realized that delocalization would soon come for white collar jobs as well: first the digitizing of old records, then the born-digital processes in all areas of business, that could be done from anywhere in the world. There was no reason to believe that such digitization work would stay in Europe.

The French have used the term "*mondialisation*" ("monde" means world) which is unavoidably translated as globalization, a term which they also use. *Globalisation* describes the sort of cross-border building of physical and bureaucratic structures that the PED was attempting, in order to create shared institutions and ways of life. *Mondialisation* refers more explicitly to the collision of global capital with territorial boundaries, and the inability of states to cope with their challenges. In the words of noted economist Pierre-Noël Giraud, "The economic stakes of politics and diplomacy–or of war–are no longer to defend "its firms" (because these are becoming more and more global and stateless, at least the greatest ones) but to defend "its territory," more precisely the economic attraction of its territories, in order to maintain and to attract the maximum [number] of activities."[85] Philippe Frémeaux, in reviewing Anton Brender's *L'Impératif de solidarité,* noted that it tells a simple story: "*Mondialisation* reduces the power of States and harms social cohesion. In the face of this challenge, we must not fall into the [neo]liberal trap and seek out competitivity by the exacerbation of competition between individuals."[86] Or this, from a review by economist François Chesnais: "In escaping the control of the States, whose action is limited to their territory and who have shown themselves to be incapable of cooperating, firms today are succeeding in breaking the Fordist regulation on which the growth of the postwar period was founded."[87]

In 1999, sociologist Neil Brenner noted that the question of whether multinationalism "has triggered the demise, erosion, or contraction of state territoriality" has long been a subject of debate.[88] "The concept of deterritorialization was first developed in the early 1970s to describe the apparently footloose activities of transnational corporations in coordinating globally dispersed production networks," later expanded in scope and effectiveness by new digital information and communication technologies.[89] States had adjusted their own laws–particularly in the realm of social protection–rather than forcing global firms to conform to their standards. He notes, for example, that states have actively engaged in dismantling the "postwar Fordist-Keynesian regulatory order (e.g., national welfare regimes, nationally organized collective bargaining arrangements), which are increasingly viewed as a hindrance to global economic competitiveness [thus changing their laws to] "encourage flexibility and technological innovation."[90] He continues by saying that the "neoliberal project of deregulation and liberalization, which has been pursued since the 1980s," was the response to the globalization process.[91]

By the turn of the century, "flexibility" had become central to future reforms of the labor market, not only in France but in Europe as a whole. Cheap hourly labor became less of an incentive, as automation replaced assemblage by humans, cheaper even when the humans were paid low salaries.[92] As Arthuis defined flexibility abroad, it referred to "manpower rendered extremely available by intensive hours (Saturday-Sunday work–Tunisia) and sometimes the 'quasi-nonexistence' of social legislation (Thailand and other countries)."[93] Flexibility in Europe–in France–was defined within the limits of a 40 hour work week, and then, with the Aubry laws of 1998 and 2000, as a 35-hour week; however, this apparent cut (in work hours but not in pay) was not entirely desirable. As Philippe Askenazy has shown, the Aubry II law (January 2000) "annualized"

Preprints.org (www.preprints.org) | NOT PEER-REVIEWED | Posted: 25 September 2024 doi:10.20944/preprints202409.1864.v1



the 35-hour work week to 1,600 hours per year, with the actual schedules to be determined by "social dialogue," or discussions between workers and bosses. The companies were compensated for their assumed losses by a cut in their social security taxes; these cuts were focused on minimum wage workers, thus incentivizing the hiring of the unskilled at low wages.[94] To quote a 1985 statement by one of the producers' unions, "The maintenance of rigid organizational schemes of labor leads to sclerosis of the ability for businesses to adapt economically. The introduction of flexibility permits [employers] on the contrary to better organize the work and thus to adapt the production to the fluctuations in the amount and nature of activities to economic realities."[95] Workers might face dramatic changes from week to week in their schedules, with intensive work as a part of their schedules and with minimum wage jobs made more attractive to employers, as a way to cut their social costs. In short, they were heading toward the condition of the "flexibility" of low-wage workers overseas.

If workers' lives were made more precarious and less predictable, there was also a problem with the "financialization" of the economy–that is, an excessive attention to shareholder desires for a quick profit rather than a stakeholder focus on building the firm. "One of the lessons of these three months of testimony," Arthuis wrote of his investigation, "will have been to establish the absence of thinking in the long term, on the part of private as well as public actors."[96] This tendency had been made worse by the shift away from industrial capital to financial capital. Dominique Strauss-Kahn, the Managing Director of the International Monetary Fund (IMF) from 2007-2011, a member of the Socialist Party, and thought to be bva likely future president of France,[97] explained in clear terms the change in the nature of capitalism itself. The first stage of capitalism had been industrial, its investments concentrated on the "internal" building of both the product and the company over the course of decades. The owner and manager of the company might well be on-site and know the workers by name. In the late twentieth century, that model had rapidly crumbled; industrial capitalism had turned into financial capitalism, a matter of mergers and takeovers, and what mattered was keeping the markets and stockholders happy: "The model of internal growth, incapable of furnishing the required [stockholder] yields, retreated simultaneously [with the growth of financial capitalism]. The creation of value proceeds from this point on by the buying up of companies and outward growth. Profits are made by rationalization (and thus the destruction of jobs) rather than by growth (and thus the creation of jobs)."[98] Companies, or parent "groups," did not invest in the long term growth of their firms or in workers' wages, instead using their profits for stock buybacks and dividends for shareholders. This new form of finance capitalism, argued Strauss-Kahn, was based on "short-termism" in the planning process and "*nomadisme*" in practice: "Capital, having become extremely mobile, can ebb as quickly as it was invested."[99]

Economist Elie Cohen, research director at the CNRS and member of the CAE, wrote in 1997 that mondialisation had revealed the inequalities not only between industrialized and developing countries, but also within "advanced" countries: "The mechanism is simple: on one side, the unskilled workers of developed countries are in competition with those of underdeveloped countries, [and] they have the choice, if one dares to say it, between unemployment and wages of misery. On the other hand, [are] the qualified workers of developed countries who benefit from the effects of the opening [of markets] to sell their intellectual services, in finance, marketing, advanced technologies."[100]

Cohen also noted the growing tendency to turn factory closings into fodder for human interest stories, "the daily news about the closing of obsolete factories or the eruption of Asian products in the big box stores." [101] The "overmediatisation," of factory closings, as some called it, turned each factory closing into another chapter in the single narrative of France's decline. The media, especially the visual media, made celebrities out of strikers, and substituted human interest stories for hard economic analysis of what was really going on. Jackie Clarke, who has done extensive research on the long-established French firm Moulinex, has discussed its persistence in public narratives even after it was forced into receivership in 2001. The memories of the (mostly female) workers had kept them connected long after they had ceased to work side by side; but there was a tendency to dismiss their concerns as mere sentimentalism.[102] François Bon, author of *Daewoo*, did much to enlarge the meaning of factory closings, centering them on the people who lost their livelihoods–and their circle of companions, and their daily routine, and their sense of self. In an interview with *l'Humanité*, Bon stated that, "I didn't know, before coming there, the violence of this process [of closing down the factories] The Korean group [Daewoo] had carefully packed up its archives and its computers. But in Lorraine, a land which has been based for so many centuries on the mines and iron, a land of so many former immigrations--all of the women and men who were questioned spoke in political terms and remembered the struggles."[103]

Those who launched the P.E.D.,where Daewoo had settled, had set an ambitious goal. Their plan was to create "8,000 high-value-added [skilled] industrial jobs"--1,000 for Luxembourg, 1,500 for Belgium, and 5,500 for France. In 1995, the record showed that Luxembourg had slightly overperformed, Belgium had just barely missed its mark, and France, at 2526 jobs, had created fewer than half of their target number.[104] Subsequent evaluations found a number of reasons for this. France had been the hardest hit by the loss of the mining and steel industries. France, in its urgent need to provide immediate employment, had fallen victim to subsidy hunters (*chasseurs de primes)*, whose interest in the area waned when the subsidies were used up. Luxembourg, with an international airport and lower taxes, was more attractive to international investors, for whom it also became a financial center.[105] Nathalie Arnould noted that between funds from FEDER, the national government, and several types of regional grants, plus what they had been able to negotiate, it was nearly impossible, at least in 1995, to determine exactly how much money Daewoo had received for coming there.[106]

Gérard Longuet, president of the Lorraine Region, briefly Minister of Industry, and one of the strongest supporters of the project to bring Daewoo and others into Lorraine, stated in 2003 that he felt "a great sadness" that France had been the "victim of an external cataclysm," the Asian Financial Crisis. Daewoo itself was the last survivor of this program–Grundig, JVC, and Brandt had all left, "because France is no longer competitive in consumer household goods," in–as he called them–*biens banalisés*, or products that are no longer new. He suggested that Lorraine was perhaps best positioned to offer services–logistical, analytical, informational–of various sorts to existing industries. His suggestion for the unemployed was to try the new customer service call centers that were being established in the region–though these, too, were soon delocalized to developing francophone countries.[107]

The Thomson factory in Angers closed in 2012, and on the tenth anniversary, the newspaper *Ouest-France* interviewed a number of the former employees. One was the CFDT labor leader Michel Bouyer, who had led the fight against the Daewoo takeover in 1996. He had worked at the factory from 1973 until just before its closure in 2012. His happiest memories were of strikes: "Human relations are totally different in a conflict, there's no more hierarchy." On one occasion they had pitched tents in front of the factory. "We called each other to come see this one, that one; we had to taste what this one had prepared to eat (sic) These are the good times. Very good."[108]

This research received no external funding.

The author declares no conflicts of interest.

## References

1. Kristin Ross, "Parisian Noir." *New Literary History* 41, no. 1 (2010): 95-109.
2. Dominique Manotti, trans. Amanda Hopkinson. *Lorraine Connection.* Arcadia Books, 2009, p. 12. There were questionable episodes in the history of the Thomson CSF defense electronics firm. In 1991, they bribed the Taiwanese government to buy several frigates from the firm; this came to be enfolded in the Elf-Aquitaine scandal, involving the state-owned energy firm, as well as the Clearstream money-laundering affair. Thirty years later, in 2011, the French government and Thomson (now Thales) were jointly assessed a fine of 630 million euros. (French justice can move very slowly.) Thomson was also tangentially involved in a part of the complicated Clearstream money-laundering Affair, which came to trial in 2009. What follows does not concern those episodes though perhaps the wide publicity surrounding them adhered also to the Thomson privatization. "France and Thales to pay record bribes fine," Reuters, June 9, 2011.https://www.reuters.com/article/business/france-and-thales-to-pay-record-bribes-fine-idUSTRE7585RD/

3. Renaud Van Ruymbeke, *Mémoires d'un juge trop indépendant*, 2022, pp. 155-196; Denis Robert, *La Boîte noire*, 2002, and on Clearstream, *L'enquête*, 2006; and John R. Heilbrunn, "Oil and Water? Elite Politicians and Corruption in France," *Comparative Politics,* April, 2005, vol. 37, n. 3 (April 2005), pp. 288-290.
4. The term borrowed from economist Anton Brender (his full statement asked why France, faced with globalization, had met it with "un tel mélange de résignation, de passivité, et d'une certaine façon aussi, d'inattention.") Anton Brender, *L'Impératif de solidarité: La France face à la mondialisation,* La Découverte, 1996, p. 23.
5. Robert Frouville & Jean-Louis Perrault, "Bilan et perspectives des stratégies d'insertion dans l'industrie électronique mondiale: le cas des nouveaux pays industrialisés," *Revue Tiers Monde*, vol. 27, n. 107, July-September 1986, p. 677.
6. "The Fall of the House that Kim built," The Economist, November 8, 2000. https://www.economist.com/unknown/2000/11/08/the-fall-of-the-house-that-kim-built.
7. Kim Woo-Choong, *Every Street is Paved with Gold*, William Morrow & Company, Inc., 1992, pp. 79-81. Sears filed for bankruptcy in 2018. Shoshanna Delventhal, "Who Killed Sears? Fifty Years on the Road to Ruin," *Investopedia,* updated March 3, 2024. https://www.investopedia.com/news/downfall-of-sears/
8. J. Savary & Y.K. Shin, "La Croissance internationale des groupes coréens," *Revue Tiers Monde,* (October-December 1989), vol. 30, no. 120, pp. 927, 931, 939; Sea-Jin Chang, *Financial Crisis and Transformation of Korean Business Groups,* Cambridge, 2003, p. 56, for an explanation of General Trading Companies.
9. "South Korean Prosecutors Indict 34," Wall street Journal, February 19, 2001, https://www.wsj.com/articles/SB982553330201367248,
10. Louis Kraar, "Wanted: Kim Woo-choong," *CNN Money/Fortune,* February 3, 2003. https://money.cnn.com/magazines/fortune/fortune_archive/2003/02/03/336433/index.htm
11. Kim Kihwan, "The 1997-1998 Korean Financial Crisis: Causes, Policy Response, and Lessons." Presentation at the High Level Seminar on Crisis Prevention in Emerging Markets, organized by the International Monetary Fund and the Government of Singapore. July 10-11, 2006. https://www.imf.org/external/np/seminars/eng/2006/cpem/pdf/kihwan.pdf
12. Martin Hemmert and Jae-Jin Kim, *Entrepreneurship in Korea: from Chaebols to Start-Ups,* London: Routledge, p. 43; see also Danny M. Leipziger, "Global Standards and Korea's Economic Reforms," *Journal of International and Area Studies*, December 1999, vol. 6,, no. 2, December 1999, pp. 1-18.
13. "The Death of Daewoo," *The Economist,* August 19, 1999. https://www.economist.com/business/1999/08/19/the-death-of-daewoo
14. Sea-Jin Chang, Financial Crisis and Transformation of Korean Business Groups: the Rise and Fall of Chaebols, Cambridge, 2003, p. 154.
15. Louis Kraar, "Wanted: Kim Woo-choong," *CNN Money/Fortune,* February 3, 2003. https://money.cnn.com/magazines/fortune/fortune_archive/2003/02/03/336433/index.htm; Yong-Sook Lee, "Debt Restructuring and the Politics of Exclusion: A case Study of the Daewoo Motor Bupyeong Plants in Inchon, South Korea," *Urban Studies,* Vol. 41, no. 12 (November 2004), pp. 2395-2414, p. 2400;"The Fall of the House that Kim built," The Economist, November 8, 2000. https://www.economist.com/unknown/2000/11/08/the-fall-of-the-house-that-kim-built.
16. Yong-Chool Ha & Wang Hwi Lee, "The Politics of Economic Reform in South Korea: Crony Capitalism after Ten Years," *Asian Survey*, vol. 47, no. 6, November/December 2007, p. 907.
17. Elizabeth Williamson, David Woodruff and Stephanie Gruner, "Difficulties of Korean Group Generate Concern at Units from U.K. to Moscow," *Wall Street Journal,* August 16, 1999. https://www.wsj.com/articles/SB934753542497474919
18. Insee.fr , section 3, also accessible through the website of the Ministère de l'Économie; https://www.insee.fr/fr/statistiques/4805248#tableau-figure3_radio2.
19. J. Savary & Y.K. Shin, "La Croissance internationale des groupes coréens," *Revue Tiers Monde,* (October-December 1989), vol. 30, no. 120, pp. 931-932.
20. J. Savary & Y.K. Shin, "La Croissance internationale des groupes coréens," *Revue Tiers Monde,* (October-December 1989), vol. 30, no. 120, pp, 932, 933; components were manufactured within the Daewoo group, or "international insourcing." See Jean-Louis Mucchielli for international insourcing as a strategy, Jean-Louis Mucchielli, "Délocalisations, nouvelles tendances,"*L'Expansion Management Review* 2009/2, n. 133, p. 38. Alain Bocquet, *Rapport fait au nom de la commission d'enquête chargée d'investiguer sur la situation de la sidérurgie et de la métallurgie françaises et européennes . . .* Assemblée nationale, n. 1240, July 10, 2013, pp. 15, 17.
21. Clarisse Duppré, "Retour il y a 20 ans, le dernier jour des derniers mineurs de fer français," *FranceInfo Grand Est,* July 30, 2017. https://france3-regions.francetvinfo.fr/grand-est/retour-il-y-20-ans-derniere-journee-derniers-mineurs-fer-francais-1304839.html. For Longwy, Christian Schulz, "L'agglomération transfrontalière du Pôle Européen de Développement Longwy-Rodange-Athus," *Revue Géographique de l'Est,* v. 36, n. 2, 1996, p. 134.

 doi:10.20944/preprints202409.1864.v1



22. Philippe Mioche & Éric Godelier, "L'acier et la sidérurgie française, vus par l'histoire économiques,"*Matériaux et Techniques*, July 2023, Creative Commons OpenAccess, https://www.mattech-journal.org/articles/mattech/pdf/2023/03/mt20230020.pdf
23. Annie Kahn, "Sans remettre en cause la fermeture," *Le Monde*, February 24, 1994. https://www.lemonde.fr/archives/article/1994/02/24/sans-remettre-en-cause-la-fermeture-a-terme-des-mines-de-charbon-gerard-longuet-veut-rassurer-les-mineurs_3798634_1819218.html
24. Steel mills had been established in Lorraine because of the iron ore and coal; when the mines were played out, the access to water transport (at Dunkerque and at Fos-sur-Mer, near Marseilles) became a deciding factor..
25. Decree n. 85-1175 of November 12, 1985. *Journal officiel de la République française*, November 13, 1985, p. 13120, https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000000872721 The area affected in France included Longwy, Mont-Saint-Martin, Herserange, and Villerupt, in the department of Meurthe-et-Moselle.
26. "Jacques Delors," *Le Républicain Lorrain*, December 28, 2023. https://c.republicain-lorrain.fr/politique/2023/12/28/jacques-delors-le-ped-demeure-le-laboratoire-de-l-europe
27. Jean-Pierre Vernay, "Troisième Implantation pour Daewoo electronics," *L'usine nouvelle*, November 23, 1995. https://www.usinenouvelle.com/article/lorrainetroisieme-implantation-pour-daewoo-electronicsle-geant-coreen-de-l-electronique-investit-600-millions-de-francs-dans-une-unite-de-fabrication-de-tubes-cathodiques-en-meurthe-et-moselle-sa-troi.N77224
28. Pierre Etcheleku, "Daewoo construira des réfrigérateurs au Pays basque espagnol," *Les Echos*, February 29, 1996. https://www.lesechos.fr/1996/02/daewoo-construira-des-refrigerateurs-au-pays-basque-espagnol-830597
29. Pascal Ambrosi, Pierre Etcheleku, "Le coréen Daewoo confirme l'implantation d'une usine de réfrigérateurs à Verdun," *Les Echos*, January 23, 1998.https://www.lesechos.fr/1998/01/le-coreen-daewoo-confirme-limplantation-dune-usine-de-refrigerateurs-a-verdun-785094
30. European Union, "Commission Decision of 24 February 1999, concerning State aid granted by Spain to Daewoo Electronics, p. L 292/9. https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1999:292:0001:0022:EN:PDF
31. Christian Robischon, "Grands donneurs d'ordres cherchent fournisseurs locaux," L'Usine nouvelle, April 4, 1996. https://www.usinenouvelle.com/article/lorrainegrands-donneurs-d-ordres-cherchent-fournisseurs-locauxles-grandes-entreprises-du-bassin-siderurgique-lorrain-souhaiteraient-accroitre-leurs-achats-locaux-mais-les-relations-avec-les-sous-trait.N78495
32. Jean Arthuis, Claude Belot and Philippe Marini, *Rapport d'information . . . sur les conditions d'exercice, par l'État, de ses responsabilités d'actionnaire.* Sénat, n. 591, July 6, 1994. https://www.senat.fr/rap/1993-1994/i1993_1994_0591.pdf For a brief survey of privatization, see "The Holdings and Transfers Commission and Privatisations in France," March 2016, pp. 17-19. https://www.economie.gouv.fr/files/cptexpo2016en.pdf1
33. For Bernard Ducamin, 1928-2012: https://francearchives.gouv.fr/fr/authorityrecord/FRAN_NP_051409; Martine Orange, "Le gouvernement lance la privatisation de gré à gré de Thomson," *Le Monde,* August 4, 1996. https://www.lemonde.fr/archives/article/1996/08/04/le-gouvernement-lance-la-privatisation-de-gre-a-gre-de-thom son_3725784_1819218.html
34. Déclarations de M. Alain Juppé, Premier ministre, en réponse à des questions sur la privatisation de Thomson CSF . . . .https://www.vie-publique.fr/discours/191719-declarations-de-m-alain-juppe-premier-ministre-en-reponse-des-quest
35. Philippe Le Coeur, "L'électronique grand public, pivot de la privatisation de Thomson SA," *Le Monde*, July 27, 1996. https://www.lemonde.fr/archives/article/1996/07/27/l-electronique-grand-public-pivot-de-la-privatisation-de-thomson-sa_3722877_1819218.html
36. Henri Gibier, "Thomson-Matra Questions sur une drôle de privatization," *L'Express,* October 24, 1996. https://www.lexpress.fr/economie/thomson-matra-questions-sur-une-drole-de-privatisation_1426308.html?auth=285bf49e98
37. Henri Gibier, "Thomson-Matra Questions sur une drôle de privatization," *L'Express,* October 24, 1996. https://www.lexpress.fr/economie/thomson-matra-questions-sur-une-drole-de-privatisation_1426308.html?auth=285bf49e98; "Deux conceptions des alliances industrielles pour Thomson," *L'Usine nouvelle,* September 26, 1996. https://www.usinenouvelle.com/article/electroniquedeux-conceptions-des-alliances-industrielles-pour-thomsonles-patrons-de-matra-et-d-alcatel-alsthom-tous-deux-candidats-a-la-reprise-de-thomson-que-l-etat-privatise-cultivent-leurs-differen.N80122
38. Henri Gibier, "Thomson-Matra Questions sur une drôle de privatization," *L'Express,* October 24, 1996. https://www.lexpress.fr/economie/thomson-matra-questions-sur-une-drole-de-privatisation_1426308.html?auth=285bf49e98

39. Elizabeth Williamson, David Woodruff and Stephanie Gruner, "Difficulties of Korean Group Generate Concern at Units from U.K. to Moscow, "*Wall Street Journal*, August 16, 1999. https://www.wsj.com/articles/SB934753542497474919
40. Louis Kraar, "Daewoo's daring drive into Europe," *Fortune*, May 13, 1996. https://money.cnn.com/magazines/fortune/fortune_archive/1996/05/13/212383/
41. Elizabeth Williamson, David Woodruff and Stephanie Gruner, "Difficulties of Korean Group Generate Concern at Units from U.K. to Moscow, "*Wall Street Journal*, August 16, 1999. https://www.wsj.com/articles/SB934753542497474919
42. "Daewoo devrait créer 560 emplois à Longwy," *Libération*, February 3 1996. https://www.liberation.fr/futurs/1996/02/03/daewoo-devrait-creer-560-emplois-a-longwy_163839/
43. Henri Gibier, "Thomson-Matra Questions sur une drôle de privatization," *L'Express*, October 24, 1996. https://www.lexpress.fr/economie/thomson-matra-questions-sur-une-drole-de-privatisation_1426308.html?auth=285bf49e98
44. Entreprendre.Service-Public.fr, Le site officiel d'information administrative pour les entreprises," updated December 19, 2023. https://entreprendre.service-public.fr/vosdroits/F37390
45. Roover, Raymond de. "The Medici Bank Organization and Management." *The Journal of Economic History* 6, no. 1 (1946): 24–52.
46. For a recent example of this kind of discussion, see America Hernandez, "French Senate urges government to buy 'golden share' in TotalEnergies," *Reuters*, June 19, 2024. https://www.reuters.com/world/europe/french-senate-urges-government-buy-golden-share-totalenergies-2024-06-19/
47. *Journal officiel de la République française*, 5 December 1996, pp. 17748-17749. This is December 5, 1996. https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000000523581
48. Mairi Maclean, Economic Management and French Business: From De Gaulle to Chirac. Palgrave Macmillan, 2002, p. 83.
49. Cited in Charles Torem and William Laurence Craig, "Developments in the Control of Foreign Investment in France," *Michigan Law Review*, vol. 70, no. 2 (December, 1971), pp. 316-317.
50. Robert W. Gillespie, "The Policies of England, Francje, and Germany as Recipients of Foreign Direct Investment," National Bureau of Economic Research (NBER), 1972, p. 407. http//www.nber.org/chapters/c3468.
51. European Union, "Commission Decision of 24 February 1999, concerning State aid granted by Spain to Daewoo Electronics. https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1999:292:0001:0022:EN:PDF "Interview de M. Jean Arthuis, ministre de l'économie et des finances, à RTL le 5 décembre 1996, Vie publique, https://www.vie-publique.fr/discours/252407-jean-arthuis-05121996-report-de-la-privatisation-de-thomson
52. For the most recent version of the screening rules, which are more precise but essentially unchanged in outlook, see Ministère de l'économie, des finances, et de la Relance, "FAQ: Foreign Direct Investment Screening in France," October 2023. (In English) https://www.tresor.economie.gouv.fr/Institutionnel/Niveau2/Pages/f149e66d-6df2-4726-a594-3d95409d7a46/files/f1b85812-7023-45cb-b1ff-dc5a4236e3aa
53. Bruno Vincens,"Échapper aux griffes du dragon Sud-Coréen," l'Humanité, August 22, 1996. https://www.humanite.fr/-/-/echapper-aux-griffes-du-dragon-sud-coreen
54. "D'autres choix que la privatisation," l'Humanité, August 22, 1996. https://www.humanite.fr/-/-/dautres-choix-que-la-privatisation
55. Bruno Vincens,"Échapper aux griffes du dragon Sud-Coréen," l'Humanité, August 22, 1996. https://www.humanite.fr/-/-/echapper-aux-griffes-du-dragon-sud-coreen
56. "Thomson: la contestation se cristallise sur le multimédia et Daewoo," *Les Echos*, October 18, 1996. https://www.lesechos.fr/1996/10/thomson-la-contestation-se-cristallise-sur-le-multimedia-et-daewoo-843060; Matra was supported by the British group GEC Marconi and the German Group DASA, in addition to British Aerospace. "Matra invite les Européens à la privatisation de Thomson," *Le Monde*, May 15, 1996. https://www.lemonde.fr/archives/article/1996/05/15/matra-invite-les-europeens-a-la-privatisation-de-thomson_3733798_1819218.html
57. "Thomson: la contestation se cristallise sur le multimédia et Daewoo," *Les Echos*, October 18, 1996. https://www.lesechos.fr/1996/10/thomson-la-contestation-se-cristallise-sur-le-multimedia-et-daewoo-843060
58. "Thomson: la contestation se cristallise sur le multimédia et Daewoo," *Les Echos*, October 18, 1996. https://www.lesechos.fr/1996/10/thomson-la-contestation-se-cristallise-sur-le-multimedia-et-daewoo-843060
59. Philippe Le Coeur, "Lagardère Groupe mène campagne," *Le Monde*, July 27, 1996. https://www.lemonde.fr/archives/article/1996/07/27/lagardere-groupe-mene-campagne_3722878_1819218.html; Pierre de Gasquet, "La privatisation de Thomson tourne à

l'affrontement politique," Les Echos, October 24, 1996. https://www.lesechos.fr/1996/10/la-privatisation-de-thomson-tourne-a-laffrontement-politique-843417
60. Philippe Le Coeur, "Thomson Multimédia est mécaniquement rentable, selon son PDG," *Le Monde*, October 30, 1996. https://www.lemonde.fr/archives/article/1996/10/30/thomson-multimedia-est-mecaniquement-rentable-selon-son-pdg_3750606_1819218.html
61. 1
62. Remi Broute, "Daewoo, son grand univers impitoyable," *L'Humanité*, November 8, 1996. https://www.humanite.fr/-/-/daewoo-son-grand-univers-impitoyable
63. "Une filiale lorraine de Daewoo placée sous surveillance judiciaire," *Les Echos*, May 14, 1997. https://www.lesechos.fr/1997/05/une-filiale-lorraine-de-daewoo-placee-sous-surveillance-judiciaire-813643
64. *Journal officiel de la République française*, 5 December 1996, p. 17748-17749, December 5, 1996. https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000000523581
65. "Interview de M. Jean Arthuis, ministre de l'économie et des finances, à RTL le 5 décembre 1996, Vie publique, https://www.vie-publique.fr/discours/252407-jean-arthuis-05121996-report-de-la-privatisation-de-thomson
66. Joseph Fitchett, "Daewoo Still Looks for Purchase to Go Through: Paris Defends Thomson Decision," The *New York Times, December* 7, 1996. https://www.nytimes.com/1996/12/07/business/worldbusiness/IHT-daewoo-still-looks-for-purchase-to-go-through.html
67. Sanghyun Yoon, & Harvery B. Feigenbaum, "Political Obstacles to Globalization: The Daewoo-Thomson Affair," *Journal of International and Area Studies* 4, no. 1 (1997): 17-30. http://www.jstor.org.exlibris.colgate.edu:2048/stable/43106993.; for the report of Korean dragon, Bruno Vincens,"Échapper aux griffes du dragon Sud-Coréen," *l'Humanité*, August 22, 1996. https://www.humanite.fr/-/-/echapper-aux-griffes-du-dragon-sud-coreen
68. "Daewoo Christophe Herbelet, 27 ans, opérateur," *l'Humanité*, 28 June 1999. https://www.humanite.fr/social-et-economie/-/daewoo-christophe-herbelet-27-ans-operateur
69. "Grève chez Daewoo," *Le Monde*, June 17 1999. https://www.lemonde.fr/archives/article/1999/06/17/greve-chez-daewoo-en-lorraine_3550604_1819218.html ; Monique Raux, "Les salariés lorrains," *Le Monde*, June 19, 1999. https://www.lemonde.fr/archives/article/1999/06/19/les-salaries-lorrains-de-daewoo-en-greve-contre-le-service-brimade_3549980_1819218.html
70. Florent Latrive, "Longwy, le basin se mine encore," *Libération*, September 16, 2002. https://www.liberation.fr/futurs/2002/09/16/longwy-le-bassin-se-mine-encore_415575/?redirected=1&redirected=1; 2003. "L'usine Daewoo Electronics de Fameck est liquidée," *L'Obs*, February 3, 2003. https://www.nouvelobs.com/societe/social/20030203.OBS6259/l-usine-daewoo-electronics-de-fameck-est-liquidee.html;
71. Monique Raux, "A Villers-la-Montagne, les salariés de Daewoo redoutennt le pire," *Le Monde*, July 27, 2002. https://www.lemonde.fr/archives/article/2002/07/27/a-villers-la-montagne-les-salaries-de-daewoo-redoutent-le-pire_4230176_1819218.html
72. The social plan is supposed to be negotiated with the jobsite committee. Anna Zagroun, "Fermeture de Daewoo Fameck et inquietudes grandissantes sur le dernier site lorrain du groupe," *L'usine nouvelle*, December 12, 2002. https://www.usinenouvelle.com/article/fermeture-de-daewoo-fameck-et-inquietudes-grandissantes-sur-le-dernier-site-lorrain-du-groupe.N3263; "L'usine Daewoo Electronics de Fameck is liquidée," *L'Obs*, February 3, 2003. "L'usine Daewoo Electronics de Fameck est liquidée," *L'Obs*, February 3, 2003. https://www.nouvelobs.com/societe/social/20030203.OBS6259/l-usine-daewoo-electronics-de-fameck-est-liquidee.html
73. "Une usine Daewoo ôtage de ses salariés," *Le Nouvel Obs*, January 3, 2003. https://www.nouvelobs.com/societe/social/20030103.OBS4831/une-usine-daewoo-otage-de-ses-salaries.html; "Cellatex, Daewoo, Sony . . . Quand les conflits sociaux se radicalisent," *L'Express*, March 13, 2009. https://www.lexpress.fr/economie/cellatex-daewoo-sony-quand-les-conflits-sociaux-se-radicalisent_746752.html
74. Daewoo Longwy: patrons voyous, ouvriers en prison," *Lutte ouvrière (Union communiste [trotskyste], le journal*, March 20, 2003. https://docs.google.com/document/d/1EliLSiwe4_iqsDDkkhqf13IkN_At6tQqoVlwcZPLAGI/edit; "Daewoo: Justice pour Kamel," *Lutte ouvrière (Union communiste [trotskyste], le journal*, March 9, 2005. https://journal.lutte-ouvriere.org/journal/article/2005-03-09-daewoo-justice-pour-kamel_10394.html.
75. Hadjia Krifa & Karine Vermeire, "L'intégration des pays d'Europe centrale dans les réseaux de production des multinationales et ses conséquences," Revue d'études comparatives Est-Ouest, vol. 29, no. 4, December 1998, pp. 80, 83-84. "Le Japonais JVC et un groupe sud-coréen vont construire deux usines près de Longwy," *Le Monde*, November 25, 1987. https://www.lemonde.fr/archives/article/1987/11/25/le-japonais-jvc-et-un-groupe-sud-coreen-vont-construire-deux-usines-pres-de-longwy_4079621_1819218.html; JVC delocalized from Villers-la-Montagne, near Longwy, to China in 1997

Preprints.org (www.preprints.org) | NOT PEER-REVIEWED | Posted: 25 September 2024 doi:10.20944/preprints202409.1864.v1



76. Pascal Ambrosi, "Trois repreneurs potentials pour JVC à Longwyj," *Les Echos*, July 23, 1997. https://www.lesechos.fr/1997/07/trois-repreneurs-potentiels-pour-jvc-a-longwy-817612
77. Jean-Luc Deshayes, "'Longwy vous accueille, JVC nous jette,': Employeur territorial et firmes multinationales dans le bassin de Longwy des années 1980-2000," *Savoir/Agir* 2020/4, n. 54, p. 25.
78. Raphaël Liogier, "Les nouveaux territoires du monde individuo-global: Délocalisation et déterritorialisation," *La pensée de Midi*, 2007/2 (n. 21), pp. 98-99. Jean Arthuis, *Rapport d'information . . . fait sur l'incidence économique et fiscale des délocalisations hors du territoire national des activités industrielles et de service.* Sénat.fr, 1992.
79. https://www.senat.fr/rap/1992-1993/i1992_1993_0337.pdf
80. Arthuis, *Rapport*, pp. 13, 14 (quotation), 15.
81. Lionel Fontagné, Jean-Hervé Lorenzi, *Désindustrialisation, délocalisations* (Paris: Conseil d'analyse économique, 2005, 16. The Council of Economic Analysis is a nonpartisan group that produces studies for the prime minister and Minister of Economics. .https://www.cae-eco.fr/Desindustrialisation-delocalisations
82. Arthuis, *Rapport*, p. 132.
83. Arthuis, *Rapport*, p. 143
84. Arthuis, *Rapport*, pp. 22-24.
85. Pierre-Noêl Giraud, "Comment la globalisation façonne le monde," *Politique étrangère*, 2006/4 (Winter), p. 934.
86. Philippe Frémeaux, "La France face à la mondialisation," *Alternatives Économiques*, December 1, 1998.https://www.alternatives-economiques.fr/france-face-a-mondialisation/00019836?utm_campaign=sharing&utm_content=copy_link
87. La mondialisation du capital," *Alternatives économiques, March 1, 1996.* https://www.alternatives-economiques.fr/mondialisation-capital/00014923?utm_campaign=sharing&utm_content=copy_link
88. Neil Brenner, "Beyond State-Centrism: Space. Territoriality, and Geographical Scale in Globalization Studies," *Theory and Society*, Feb 1999, vol. 28, no. 1 (Feb 1999)), p. 52.
89. Neil Brenner, "Beyond State-Centrism: Space. Territoriality, and Geographical Scale in Globalization Studies," *Theory and Society*, Feb 1999, vol. 28, no. 1 (Feb 1999)), p. 63
90. Neil Brenner, "Beyond State-Centrism: Space. Territoriality, and Geographical Scale in Globalization Studies," *Theory and Society*, Feb 1999, vol. 28, no. 1 (Feb 1999)), p. 65.
91. Neil Brenner, "Beyond State-Centrism: Space. Territoriality, and Geographical Scale in Globalization Studies," *Theory and Society*, Feb 1999, vol. 28, no. 1 (Feb 1999)), p. 65.
92. Robert Frouville & Jean-Louis Perrault, "Bilan et perspectives des stratégies f'insertion dans l'industrie électronique mondiale: le cas des nouveaux pays industrialisés," *Revue Tiers Monde*, vol. 27, n. 107, July-September 1986, p. 683.
93. Arthuis, *Rapport*, pp. 26-27.
94. Philippe Askenazy, "Working Time Regulation in France from 1996 to 2012," *Cambridge Journal of Economics*, Vol. 37, no. 2 (March 2013), pp. 323-347, table p. 325.
95. F.E.B., (Fédération de l'équipement du Bureau et de la papèterie), "La flexibilité dans l'amènagement du temps de travail," 1985, p. 8, cited in Marc Aslin and Julie Oyce, "Flexibility du temps de travail," *Courrier hebdomadaire du CRISP*, 1987/3, p. 6.
96. Arthuis, *Rapport*, p. 182.
97. DSK, as he liked to be called, was arrested in mid-May, 2011, for sexually assaulting a housekeeper at the Sofitel Hotel in Manhattan. The charges were eventually dropped by the Manhattan DA's office; but the wall of silence that had surrounded DSK's numerous problematic acts–including another sexual assault charge, as well as sexual harassment against an IMF employee, which had been covered up, as well as serial infidelities–were now out in the open.
98. Dominique Strauss-Kahn, "La gauche face au capitalisme," *L'Économie politique*, no. 34/2 (2007), pp. 7-8. A fuller version of this article was published by the Fondation Jean Jaurès, "Pour l'égalité réelle," July 2004, pp. 1-107.
99. Dominique Strauss-Kahn, "La gauche face au capitalisme," *L'Économie politique*, No. 34/2 (2007), pp. 7-8.
100. Elie Cohen, "Mondialisation et souveraineté économique," *Le Débat*, 1997/5 n. 97, p. 21.
101. Elie Cohen, "Mondialisation et souveraineté économique," *Le Débat*, 1997/5 n. 97, p. 21.
102. Jackie Clarke, "Closing Moulinex: Thoughts on the Visibility and invisibility of Industral Labour in Contemporary France," *Modern & Contemporary France*, vol. 19, n. 4, November 2011: 443-458.
103. Jean-Claude Lebrun, "Le livre de reportage figure de l'imaginaire François Bon," *l'Humanité*, August 26, 2004.https://www.humanite.fr/culture-et-savoir/-/le-livre-de-reportage-figure-de-limaginaire-francois-bon,
104. Nathalie Arnould, "Aides fiscales ou aides directes: Le cas du pôle européen de développement," *Courrier hebdomadaire du CRISP*, (2008/n. 1995), p. 14.

 doi:10.20944/preprints202409.1864.v1



105. Annick Ait Oumeziane, “Réconversion économique et construction d’un territoire transfrontalière,” *Annales de Géographie,* no. 611 (January-February, 2000), p. 74.
106. Nathalie Arnould, “Aides fiscales ou aides directes: Le cas du pôle européen de développement,” *Courrier hebdomadaire du CRISP*, (2008/n. 1995), pp. 7-10, p. 18.
107. Stéphane Getto, “Trois questions à Gérard Longuet,” *Le Monde,* January 9, 2003. https://www.lemonde.fr/archives/article/2003/01/09/trois-questions-a-gerard-longuet_304774_1819218.html; Leina Magne, “Centres d’appels en Lorraine: les quatre choses à savoir,”*Franceinfo Grand Est,* February 23, 2018. https://france3-regions.francetvinfo.fr/grand-est/centres-appels-lorraine-quatre-choses-savoir-1428427.htm
108. Jean-Philippe Nicoleau, “L’ex-leader raconte ses ‘moments de bonheur,” Ouest-France, May 17, 2022. https://www.ouest-france.fr/pays-de-la-loire/angers-49000/l-ex-leader-raconte-ses-moments-de-bonheur-dans-la-lutte-syndicale-a-l-usine-thomson-d-angers-fde35bd8-26a3-11ec-b8e1-a5d0cfbb7050