

The French elections are too close to call. Watch out left and right!

As part of EUROPP's continuing series on the 2012 French presidential elections, [Françoise Boucek](#) looks at the economic policies of the two main candidates, incumbent president Nicolas Sarkozy and Socialist leader François Hollande, and finds that they both perpetuate the myth that France's post-war social model can continue with only minor changes in the face of rising government debt and the Eurozone crisis. She argues that any shifts in support away from the two main candidates in the next two weeks could make for a very interesting outcome to the upcoming elections.



The French presidential election campaign is getting hot in its final two weeks. It would only take minor shifts in support for extremist candidates such as anti-capitalist Jean-Luc Mélenchon and *National Front* Marine Le Pen or even Socialist leader François Hollande, for bond markets to shift their concerns from Spain to France. French 10-year government bonds now yield around 3% which is still well below the near-6% yields in Spain. But that only means that there is now a lot of scope for additional political-risk premiums for French bonds from any messy electoral outcomes.

An April 6 [poll from lfp](#) puts the incumbent president Nicolas Sarkozy ahead of Socialist François Hollande by 2.5% in the first round but still behind Hollande by 6% in the June 6 runoff. That's a big change from the start of the official campaign when Sarkozy trailed in the first round by 5% and in the second by 15%.

Both candidates recently released economic programmes perpetuating the myth that France's post-war social model can continue with only minor changes. Neither confront voters with the harsh reality of the threat to France's generous welfare system that the country's precarious public finances present, but both pledge to bring down government debt and balance the budget by the end of the next presidential term without drastic reductions in state spending. *Bonne chance!* The last time France had a budget surplus was in 1974 and it tops Europe for public spending at 56% of GDP. Anaemic economic growth has driven unemployment to 11.4%.

A re-energised Sarkozy is now seeking to shift the campaign's tone. Last month's Toulouseshootings brought out the dignified statesmanship against a backdrop of threatened national security and Sarkozy now also claims to be the guardian of France's fiscal rectitude against the inexperienced Hollande – as if the nation's current situation had nothing to do with him.

Sarkozy's '[letter to the French people](#)' launched at a rare and long press conference before the start of the Easter holiday lacks coherence and has the feeling of *déjà vu*. He frustrated journalists by dismissing their questions with his own hypothetical questions of how things might have been without his stewardship. Sarkozy stressed the need to restore France's economic competitiveness through reduced labour costs and drew attention – yet again – to Germany's own austerity measures a decade ago when Gerhard Schröder's Social Democrats' so-called 2010 social reform package launched that country's solid economic recovery. Sarkozy didn't mention that France lacks Germany's consensus-generating decentralised system of collective bargaining which brought about such useful changes peacefully.

This suggests Sarkozy knows what needs to be done to restore growth and reduce unemployment. In his first term, he started pension reform by raising the retirement age from 60 to 62 but Sarkozy's

vague and uncoded [32-point manifesto](#) is mostly a list of intentions and clearly protectionist. He blames the EU for not protecting France from globalisation (*delocalisation*) and pledges to reconcile globalisation's winners and losers by promoting innovation, reducing public spending and cutting taxes by €9.5 billion without offering clear-cut programmes. Presumably, the details would come from his prime minister under France's executive diarchy if Sarkozy is re-elected.

Meanwhile, Hollande, beyond pledging to reverse the increased retirement age, has an equally vague programme proposing €20 billion of new spending, offset by tax increases including a 75% marginal rate of income tax on people earning more than €1 million a year. This political posturing will [raise a mere €200 million](#), according to experts. Where would the cuts come from to finance 60,000 new education jobs? How will slashing fiscal advantages for large corporations and the financial sector finance a €5 billion pledge to help industry and SMEs? How can the cancellation of overtime finance a €5 billion pledge to fight youth unemployment? If nothing else, it's all consistent with the French left's ingrained and blinkered view that there is a limited supply of jobs to go around.

So, where does that leave French voters who vote with their hearts in the first round but with their wallets in the second round? In response, parties and candidates shore up their core vote in the first round without ignoring the need to move to the centre in the second round by building electoral alliances on each side of the spectrum.

The binary choice in the presidential runoff race tends to avoid the type of district-level coordination required for the National Assembly elections on June 3 and 17. However, the shocking outcome of the first round of the 2002 presidential race has put this accepted wisdom into question. Then, *Front National* candidate Jean-Marie Le Pen (father of Marine) defeated Socialist Prime Minister Lionel Jospin in the first round by less than 1% of the popular vote prompting mass street demonstrations against Le Pen and the biggest landslide victory in French politics for Chirac with 82% of the vote in the second round. Jospin's defeat in that 16-candidate race had much to do with a fragmented left demanding that their supporters vote strategically even in the first round to keep Le Pen out.

The current 10-candidate race could also be a close run thing in the first round as both Sarkozy and Hollande are flanked by a strong competitor with working-class appeal. Polls indicate that the fiery anti-capitalist Mélenchon has caught the mood of the nation and is running neck-and-neck with the far-right's Le Pen. However, a 20-30% abstention rate in the first round would damage them more than the front-runners.

So things could get very interesting over the next two weeks as the Eurozone crisis continues to unfold and international lenders fret about France's capacity to refinance its debt under a Socialist president.

[Please read our comments policy before commenting.](#)

This article is part of EUROPP's series on the French presidential elections 2012. [You can browse the entire series here.](#)

Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

About the author

Françoise Boucek – *School of Politics and International Relation, Queen Mary University of London*

Françoise Boucek is a Teaching Fellow in European Politics in the School of Politics and International Relations at Queen Mary, University of London, a Visiting Professor at



the University of Witten Herdecke (Germany) and an Associate of the LSE Public Policy Group. A political scientist, she gained her PhD from LSE and researches chiefly on party politics in advanced industrial countries. Her book *Factional Politics: How Dominant Parties Implode or Stabilize* (Palgrave Macmillan) is due out in October 2012. She is also co-editor (with Matthijs Bogaards) of [*Dominant Political Parties and Democracy: Concepts, Measures, Cases and Comparisons*](#) (London: Routledge, 2010).



Related posts:

1. [France's presidential election campaign is confirming the deep-seated caution of both main candidates. But, for all the disappointed expectations of Sarkozy as a reformer, there is still a sense that he 'gets it'. \(14.5\)](#)
2. [LSE EUROPP launches a new series on the French presidential elections \(15\)](#)
3. [European questions have intruded into the French election campaign, signalling that the next European Parliamentary elections may be the first truly European ones. \(13.3\)](#)