

From the Desk of...

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John Andrews, writer and commentator on global affairs, shares his views on the unfolding French presidential election and what this will mean for the Franco-German alliance at the centre of Europe.

Politics, especially in a democracy, can be an uncertain business—witness Mitt Romney’s stumbling quest to be the Republican nominee for November’s presidential election in the US. Not so long ago, Mr Romney looked the obvious choice (certainly that was the view of *The World in 2012*, the Economist publication that I help to edit) and he seemed a fair bet to defeat Barack Obama. I suspect he will still win the nomination, but the wounds Mr Romney is suffering in the primary process must make President Obama quietly optimistic of a second term.

But the contest that really intrigues me is the French presidential election: the first round will be on April 22 and the inevitable second round—a run-off between the top two candidates from the first round—will be on May 6. I confess a personal interest: I lived in Paris for four years during the scandal-stained presidency of Jacques Chirac and I still spend several months of the year in France. In short, I hold France dear.

The question is what sort of France will emerge from the election—and frankly I find any plausible answer rather discouraging. In theory, the contest should be a straight choice between the head of the centre-right Union pour un Mouvement Populaire (UMP), President Nicolas

Sarkozy (invariably, and accurately, characterised as “hyperactive”), and the Socialist Party’s François Hollande. In practice, Marine Le Pen, leader of the far-right Front National (FN), could upset the theory. Back in 2002 I well remember Jean-Marie Le Pen, the FN’s founder, embarrassing the Socialists’ Lionel Jospin by winning through to the second round against Mr Chirac. Conceivably, history could come close to repeating itself since Marine is a much more acceptable version of her father (for example, she has toned down the party’s traditional anti-Semitism). Only this time, the victim might be not the Socialist candidate but the sitting president.

But let us assume the choice on May 6 will be between Messrs Sarkozy and Hollande. What will they offer? Will they preach policies that will invigorate the sagging French economy and provide jobs for the tenth of the workforce that is unemployed?

Sadly, no. “Sarko”, as the president is frequently called, is resorting to cynical populism, promising to take a tougher line on welfare benefits and to curb immigration. No longer does he emphasise economic deregulation and liberalisation—pledges that he made on being elected five years ago. He knows that for most French voters, cosseted from birth by a generous state, such “Anglo-Saxon” ideas seem

simply threatening. He knows, too, that his poll-ratings have slumped precisely because such ideas, and his habit of hobnobbing with the wealthy, identified him too closely with the business elite: he was early caricatured as “President Bling-Bling”. His campaigning ploy will be to present himself as the only candidate able to guide France through the crisis of the euro zone; as the liberator of Libya (it was, indeed, Mr Sarkozy who spurred NATO into action against Colonel Gaddafi’s regime); and as a man of political experience who can deal on equal terms with other European Union leaders (by contrast, Mr Hollande has never held a single ministerial post).

But if Sarko’s programme seems unconvincing, Mr Hollande’s is surely delusional. He pledges to reverse legislation that has raised the retirement age from 60 to 62; to create 60,000 new teaching jobs; to raise taxes on the banks; and to subsidise jobs for the young in areas of high unemployment. Most headline-grabbing, he also proposes a tax rate of 75% on annual incomes of over a million euros. Just how any of this would be paid for is a mystery, not least because the swingeing 75% tax on the wealthy would affect only 3,000 households and bring in relative peanuts. But Mr Hollande (who is a decent and unassuming figure in the egotistical world of French politics) is intent on underlining the distinction between himself and the “president of the rich”.

The tactic may well work. But will it help a nation that needs more, not fewer, entrepreneurs and investors? As French businessmen well remember, Mr Hollande once famously said: “I don’t like the rich.” And those whose memories stretch back

far enough to the last time the voters elected a Socialist president will surely recall that François Mitterrand began his first term in 1981 with a disastrous nationalisation of the banks. If Mr Hollande wins in May (which is not a foregone conclusion, given Sarko’s campaigning prowess, especially on TV), history may repeat itself: like Mitterrand, he will waste a couple of years before abruptly accepting economic reality and changing tack.

The problem, of course, is that whoever gets a term in the Elysée Palace in May will inherit a dreadful legacy: stern monitoring of the economy by the ratings agencies (France recently lost its AAA rating, an event that Sarko had once said would “kill” him); a European Union flirting with recession; stubbornly high unemployment (dramatically high for the young); and a crisis of the euro which, if unresolved, could even lead to the dismantling of the EU itself.

There will also be a different, more subtle problem.

France has always thought of itself as the real political leader of the EU, albeit in collaboration with its ancient enemy, Germany. Fundamental to France’s advocacy of the EU’s Economic and Monetary Union, the set of policies that led to the establishment of the euro, was the notion that EMU would bind Germany into the rest of Europe, so restricting Germany’s power and protecting France’s.

Conscious of Germany’s Hitlerian past, Chancellors Helmut Kohl and Gerhard Schroeder were happy to go along with French wishes: they wanted a European Germany rather than a German Europe. Perhaps their successor, Angela Merkel, agrees with them in her heart. But events

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are dictating otherwise: the euro crisis is making clear that Germany is the EU's paymaster, and it is Germany's politicians, with their atavistic memory of the hyperinflation of the Weimar republic, who are imposing impossibly harsh austerity on Greece and other EU weaklings. In short, Germany is asking the rest of the

EU to be more Germanic. In the process it is making it obvious that the French president—whoever it turns out to be—will be very much the junior partner in the EU's famed Franco-German alliance. For the French as a nation such an outcome will be medicine with a nasty taste to it.

About John Andrews and The Insight Bureau

John Andrews is a consulting editor at The Economist and the Deputy Editor of the group's annual magazine, *The World in 2012*. John is a veteran international journalist who has covered the USA, Europe, the Middle East and Asia during his impressive career with *The Economist*. He is also the co-editor of a new book to be released this month called *Megachange: The World in 2050*. This looks at the great trends that are shaping the world and their implications for the coming decades, compiled from contributions from within *The Economist's* editorial team. John is sought after as a speaker -- and as a skilled moderator of senior business dialogue -- because of his sharp perspective on current affairs, and participates in conferences and business forums around the world. www.insightbureau.com/JohnAndrews.com

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