

## France's surprise

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### 2014 IN BRIEF

The results of Bosnia's first census as an independent country are published

The National Front will prosper in a grim year

The coming year will spring a political shock in France, prompting much soul-searching on both left and right. In March voters will elect mayors and local councils in 36,000 communes countrywide, then in May deputies to the European Parliament. In this first electoral test of President François Hollande's Socialist presidency, Marine Le Pen's far-right National Front will make headline-grabbing gains, taking advantage of widespread disenchantment and despondency.

Denial of France's difficulties will give way to disillusion with Mr Hollande's handling of them. He campaigned on a pledge to end austerity in Europe, bring down unemployment, tax the rich and "re-enchant the French dream". With continuing fiscal consolidation, a jobless rate at a 16-year high and lacklustre economic growth, the French will feel let down. A 75% top tax rate will come into force for the rich, paid by firms in extra payroll charges. But everybody will sense their pockets pinched, thanks to €3 billion (\$4 billion) of new taxes, on top of a higher VAT rate and new rules that will suck more households into the income-tax system. Mr Hollande's poll ratings will sink to new lows.

This discontent will rob the Socialists of their near-monopoly of the big town halls, and enable the right to make gains. One tight contest will be the all-female run-off for the mayor of Paris. This will pit Anne Hidalgo, a Socialist town-hall insider, against Nathalie Kosciusko-Morizet, a centre-right young former minister under Nicolas Sarkozy, the previous president. In a city that tilts to the left, the odds are—just—on Ms Hidalgo's side. Electoral gains on the right, however, will not resolve the rivalry between its two would-be leaders, Jean-François Copé, the centre-right UMP party boss, and François Fillon, a former prime minister. Both Mr Sarkozy and Alain Juppé, another ex-prime minister, will watch this dismal spectacle keenly, keeping their own options open.

Yet it is the National Front that will cause the biggest upset. It may not win any big town halls, but it will secure local-council seats for its young candidates in villages and exurbs, especially in the north of France and the southern fringe, and get some mayors elected. In the European elections the National Front could even come first in its share of the national vote, a symbolic

result that would shake France. Ms Le Pen's strategy of decontaminating the Front will draw voters from both the right and the ex-communist left, appealing to a common distrust of the remote Paris elite, resurgent Euroscepticism and economic anxiety, as well as fears about crime, immigration, Roma and Islam. With her telegenic presence and no-nonsense talk, Ms Le Pen will mark minds as well as ballot papers in 2014.

A crushing electoral upset might tempt Mr Hollande into a government reshuffle. One alternative to Jean-Marc Ayrault, his prime minister, is Manuel Valls, the popular and ambitious interior minister. But Mr Ayrault is usefully unthreatening to Mr Hollande, so he may well hang on to him. He will also try to keep Arnaud Montebourg, the defiantly outspoken industry minister, in government, where his provocations will cause Mr Hollande

less trouble. Pierre Moscovici, the finance minister, might just head to the European Commission in Brussels; Bernard Cazeneuve, the budget minister, is likely to win promotion.

### Time to reflect

The National Front's triumph will add to French introspection at a time of national decline. With Germany and Angela Merkel resurgent, France will struggle to come to terms with being a junior partner in an alliance that was once one of equals. The tie will be strained, as Mr Hollande pushes for faster banking union and debt mutualisation in the euro zone, and Mrs Merkel is frustrated by Mr Hollande's half-measures to restore competitiveness. France will have trouble curbing its budget deficit, even to its easier target of 3.6% in 2014.

Public debt will inch up to over 95% of GDP.

Such tensions will be swept aside, at least briefly, when Germany joins French commemorations of the 100th anniversary of the start of the first world war, in which France lost more than 1.3m soldiers. Sober commemorative events, including one on the battlefield of the Marne, will punctuate the year. Socialists will also remember Jean Jaurès, the party's pacifist founder, assassinated on the eve of the war.

With allied world leaders present, France will celebrate at Sword Beach the 70th anniversary of the Normandy landings, which led to liberation from Nazi occupation. France will acknowledge this debt to America at a time when Mr Hollande finds himself taunted at home for letting the United States cramp French foreign-policymaking over Syria. An urge to reassert French independence could prompt Mr Hollande into taking a bellicose stance over other trouble spots, such as the Central African Republic, much as he did over Mali in 2013. Such boldness abroad may momentarily boost French grandeur. But it will not rescue Mr Hollande's poll ratings, and will only underline his persistent and damaging caution over reform at home. ■



As mighty as the sword?

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