

France Under Nicolas Sarkozy after 15 months

What Is and Is Not Happening

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When the time came for Nicolas Sarkozy to celebrate his first anniversary as president of the French Republic, he and his majority party (UMP) had just suffered a defeat in local elections¹, and most opinion polls looked bleak. Even the conservative daily newspaper, *Le Figaro* announced on April 30, 2008 that Mr. Sarkozy, with only 37% of favorable opinions among French voters, was the most unpopular first-year president in the history of the Fifth Republic. Today, the ratings have not changed; many voters are disappointed and think that the president, so far, has squandered his time in office. Why have these 15 months been so damaging for his image and why has he become so unpopular so fast?

Several reasons can be found in the ambitious goals set by candidate Sarkozy and the long list of promises for change he made during his successful campaign. Among them, several stand out. First, he promised a radical change in presidential style by repeating that, unlike his predecessor, he would govern close to the people and make their daily concerns and challenges his top priorities². As a result, he reiterated throughout his campaign his intention to implement a series of reforms aimed at increasing the purchasing power of the middle class³. Such reforms included measures to boost economic growth (which was slower than in any other large European country), to curb

public spending in order to reduce the budget deficit (which had risen faster than in any other large European country), and to reduce the national debt, (which had grown to over half of France's GDP). Also, to woo as many far-right nationalists as possible, he promised a tough reform of the immigration process but concurrently in order not to offend the softer conservatives, he promised to address the situation of undocumented immigrant workers in a most humane manner. On the international scene he promised to restore France's image world-wide and to reassert its leadership in the European Union, two issues which had been seriously damaged during Mr. Chirac's two terms as president. In addition, he promised his commitment to another list of reforms aimed at modernizing the country so it would be better able to face the challenges of the 21st century. He guaranteed swift and painless results (in some cases he even set deadlines⁴) and, to further impress the yet unconvinced voters, he kept repeating throughout his campaign: "I will not betray you, I will not lie to you, I will not disappoint you". With such an announced program, there is little doubt that the first and foremost expectation of the vast majority of the voters who elected him was change.

Change arrived and very soon. Immediately following the elections, the French witnessed a completely new presidential behavior, but it was not quite the one promised and expected. It did not take long before Mr. Sarkozy's luxurious life-style had a negative effect on public opinion. His vacation trips to exotic places (which started immediately after his election⁵) and his association with some of the wealthiest French families, at a time when most of the country was experiencing financial difficulties, did not go well with the public. As if this was not enough, his aloof and show-off attitude

quickly became irritating. His Ray Ban sunglasses which he would not take off, even during interviews, annoyed many and the exaggerated use of his cellular phone made him look more agitated than presidential. His famous and insulting remark “*casse-toi pauv’con*” (which can translate into “get the hell out dumb ass”) to a gentleman who refused to shake his hand during a visit at the annual national agricultural fair last February, made him sound more like he was coming from a suburban housing project rather than from the Elysée Palace. And then, of course, there was the public display of his love life. His divorce, followed by his marriage three months later to an Italian supermodel, became such a distraction that the center-left daily newspaper *Libération* nicknamed him “the bling-bling president”⁶.

With the style, also came the method: too often his hyperactivity gave the impression that he was more concerned with his own personal interest than with the national interest. By September his omnipresence in the media had become so heavily conspicuous that *Le Nouvel Observateur* labeled him “The cannibal president” on the cover-page of one of its issues⁷. At the same time center-right former presidential candidate François Bayrou talked of presidential absolutism, and in February, even his former mentor and old friend, former Prime Minister Edouard Balladur, called for a more sober style and a more coherent method⁸.

It is true that once elected, the president and his new government embarked on a vast program of reforms, but as results failed to meet popular expectation, the reform agenda lost some of its focus. The president’s discourse went from confusing to contradictory,

and critics were given plenty of reasons to accuse him of lying. On the issue of the purchasing power for example, candidate Sarkozy had said during his campaign on March 16, 2007: “My conviction is that one of the major issues for France is the purchasing power issue. Salaries are too low, revenues too small, and I, I want to address the people of France who are working and who still feel that they cannot make ends meet. These are the people of France, I want to focus on”. A few months later the discourse had changed drastically: when asked by a journalist what he was doing to raise the purchasing power, President Sarkozy retorted: “What do you expect from me, that I empty coffers which are already empty, that I give orders to companies to which I do not have to give orders. If this is your idea of politics, well, someone is making a mistake; we are not speaking the same language. To reduce the French political debate to the sole issue of the purchasing power is absurd”⁹.

To fully appreciate the irony of the discrepancy between the two remarks, one must remember that in the meantime, Mr. Sarkozy had boosted his own purchasing power. Indeed, on October 30, 2007, he had the conservative-dominated government pass an amendment to the 2008 budget which raised his own salary by nearly 150%.¹⁰ Even though the new salary is more in line with the salary of other prominent world leaders, many saw in the promptness of the move a sign of cynical indifference to the financial difficulties encountered by many of his compatriots.

At the same time, the fiscal package (Tepa law) adopted by Parliament on August 1, 2007, which was supposed to stimulate economic growth by giving an incentive to the

middle class to consume more fell short of expectations for several reasons. First, the package in question includes a significant inheritance tax exemption which many took as a bonus for the rich. Mr. Sarkozy's argument that it was good for people because it made it possible for them to pass on more of their savings to their children somehow failed to convince those with modest incomes. Then it also includes the reform of the 35-hour work-week whose implementation Mr. Sarkozy and his UMP party had always opposed.¹¹ The intention of the reform was to help people raise their purchasing power by giving them the possibility to work overtime (as Mr. Sarkozy put it during his campaign: "Work more to earn more"). The reform does keep the work-week at 35 hours but gives employees of small and medium-size companies the flexibility to work overtime hours, exempted from taxation, up to a total of 48 hours for any given week. At first glance it may look appealing to some workers, but a more careful reading of the reform shows that by undermining the 35-hour week, it mostly profits employers. Since they are the ones to decide the amount of overtime hours they need, it gives them more flexibility and more leverage over their employees. Also, since those overtime hours are only paid 125% of regular hours and are exempted from insurance contributions (social security, pensions, etc.), the reform provides employers with an alternative that is cheaper than having to hire additional workers. This is the very reason why the employers' union Medef¹² applauded the fiscal package so favorably! As *Le Monde Hebdomadaire*, pointed out in its weekly issue of April 19, 2008, the real winners are the employers and the real loser is employment. It is interesting to notice that since the law has been enacted unemployment has been on the rise, and the prospect for improvement is dim. It is not any better for the elderly. Candidate Sarkozy had also promised to raise their

purchasing power and, sure enough, on January 1, 2008, pensions were increased but only by 1.1%, significantly less than inflation.

On the issues of public spending and budget deficit the record also falls short of expectations and promises. In an interview with the conservative daily newspaper *Le Figaro* on May 17, 2004, two months after being appointed Finance minister, Mr. Sarkozy had made the following claim: “For 23 years, all the governments have shown a deficit with the budget. This cannot last. I am here to clean our public finances”. A few days later, in another interview published in *Les Echos*, he had added “Failing to maintain expenses at a 0 level of increase would be a very serious failure, because it is something that depends entirely upon us. To achieve a 0% increase in spending is a sign of budgetary virtue.” At the end of June 2008, after just over a year of Mr. Sarkozy’s presidency, the Budget Department announced that the national budget deficit, which supposedly was going to be balanced by 2010, had reached 32.8 billion euros at the end of June 2008 against 30.5 billion at the same time a year before¹³. France is the only country in the euro area with such a large deficit at the moment¹⁴, and now Mr. Woerth, the Budget Minister, is predicting a balanced budget by year 2012. Unfortunately for him, no serious economist is giving much credibility to his prediction. At the same time, the national debt reached a total of 1 209.5 billion euros in 2007, an increase of 5.2% for the year, amounting to 64% of GDP.

To address the immigration issue, a new department for Immigration and National Identity was created – the only one in the European Union. Even though most people

acknowledge the fact that immigration has to be controlled, many find the new method shocking. The new department is headed by Mr. Brice Hortefeux, a 30-year friend of Mr. Sarkozy, who boasts that he will do whatever it takes to meet the deportation quotas set by the new government. Some 23,000 people were taken by force to the borders in 2007 and the goal for 2008 is 26,000. The fact that grandparents have been arrested while picking up their grandchildren at school and later deported, the fact that some undocumented immigrants chose to commit suicide rather than being deported, have not deterred Mr. Hortefeux from what he deems to be his mission, but it has chilled the enthusiasm of many voters for Mr. Sarkozy's methods. Even among his majority, many opposed the DNA tests he wanted to introduce for immigrants. Here again, the promises and the results are in contradiction. An article published on May 13, 2008 in the daily newspapers *La Voix du Nord* confirms the point. During a campaign speech in Paris on April 29, 2007, Mr. Sarkozy made the following comments: "To each woman victim of domestic violence, I want France to offer protection by giving her the possibility to become French". Less than a year later, a young woman from Morocco filed a complaint with the local police for domestic violence. The next day she was asked back to the police station to provide a medical certificate. She was arrested upon arrival and, within 24 hours, deported to Casablanca¹⁵.

On the world scene, the president's hyperactivity also caused a lot of confusion without providing anything exciting for the public. The barbecue with President George W. Bush in Kennebunkport on August 11, 2007, failed to impress. His policies towards NATO and Afghanistan contradicted expectations. On April 26, 2007, when asked about his

opinion on sending troops to Afghanistan, Mr. Sarkozy said: “It was useful to send troops since we were waging a war against terrorism, but a long-term presence of French troops in that part of the world does not seem very crucial to me”. A few days later he added: “No foreign army has ever succeeded in a country which was not its own. I will not lie to you”. One year later at the NATO summit in Bucharest, he announced his intention to send additional troops to Afghanistan. His additional decision to return France to NATO’s integrated military command also disappointed many, including some die-hard Gaullist friends of his. Many also disapproved of Libyan leader Muammar Qaddafi’s visit to the Elysée Palace and address to Parliament last December, even though the visit was supposed to amount to 10 billion euros in deals. Finally his supposedly grand idea of a project of a Mediterranean Union (labeled “Club Med” by his critics) and the invitation to Paris last July 13, which he extended to all the leaders of the Mediterranean states, including Syrian leader Bashar al-Assad, was perceived as being more self-serving than politically significant. Indeed the idea did not produce anything substantive besides exasperating German Chancellor Angela Merkel who saw in the initiative a ploy to exclude Germany. As a result, it considerably muddled the French-German alliance which for years had taken a strong leadership role in the integration of the European Union.

On the European scene the results are also disappointing. Before the start of the French presidency on July 1, Mr. Sarkozy expressed ambitious plans to re-launch the integration process of the European Union. It is true that the failure of Ireland to ratify the Lisbon treaty on June 13 seriously complicated matters. But so far Mr. Sarkozy has not been

able to come up with anything substantial except provoking the anger of the Irish people and government with an unsolicited statement to the effect that they will have to vote again soon.

Now, what about the long list of reforms aimed at modernizing the country? Mr. Sarkozy claims responsibility for more than 70 of them since he has been in office, and he may be right. This is probably another reason for his poor ratings. How can so many reforms be launched in so little time without confusing people? Reforms are announced practically on a daily basis, and the result is a cacophony which oftentimes is meant to hide the vagueness, not to say the emptiness, of the reforms themselves. The reform of the education system is one example. Its scope and meaning are still vague but Mr. Xavier Darcos, Minister of Education, has already indicated his desire to see the baccalaureate examination revalorized. He has not yet explained the content of the reform but he has made several announcements to the effect that students who successfully pass the exam will be awarded medals!

Too much cacophony also sends confusing, if not contradictory, messages that undermine the credibility of the government. Last April, in an attempt to reduce the budget deficit, Mr. Sarkozy announced a list of cuts in spending that included the termination of the annual subsidies granted by the government to the SNCF¹⁶ to pay for the highly popular “*carte de famille nombreuse*”, which gives families of three children or more a 30% discount on all rail transportation. A few days later however, faced with likely popular protests, he changed his mind and kept the status quo. At the moment the same

cacophony applies to several ecological reforms. Then there are the much-trumpeted reforms that never materialized like the divorce reform and the reform pertaining to pharmaceutical products. Finally, there is the reform of the judicial system whose technicality and complexity present no real interest for most people.

In light of all those unfulfilled expectations, it comes as no surprise that a September 25th opinion poll conducted by Ifop¹⁷ shows Mr. Sarkozy still at 37% of favorable opinions. And the future does not look brighter. Many more campaign promises seem now impossible to keep, like the promise to reduce taxes by 65 billion euros in 5 years, or the promise to return to a balanced budget by 2012, or even the promise to reduce poverty by 1/3 over 5 years. But does this mean that Mr. Sarkozy's presidency is doomed? The answer is: definitely not yet because there is still ample room for the president to rebound for three major reasons.

First, the style has changed, the "Sarko show" seems to be over, and his private life by now seems to be just that. It looks like the president has followed the advice of Christophe Barbier, Editor of the weekly *L'Express*, who on March 17, 2008 wrote in his column that he needed "to put a little bit more de Gaulle and a bit less Tom Cruise into his cocktail of presidential modernity". The Ray Ban sunglasses are gone and so are the trips on his friends' private yachts or jets. They have been replaced by visits to regions and factories in tough economic situations. The man also seems more modest, less nervous, less agitated, and more willing to give members of his government more freedom of action. Of course, only the future will tell if he is sincere.

Second, even though most people are disappointed, they know that the president is not responsible for all the difficulties of the moment. They know the economic outlook is grim, that the uncertainty surrounding the world's economy slows down economic growth and pushes up budget deficits. They know there is very little the president can do about the financial crisis and the rising price of oil. On the issue of the European Union, they also know that he is not responsible for the Irish refusal to ratify the Treaty of Lisbon. Many also recognize that some reforms, like the reform of the special regimes of November 2007¹⁸, the reform imposing a minimum amount of public transportation during strikes, the increase in the number of years of contributions for full pension benefits, are reasonable, even necessary.

Third, and maybe the most important, the president is unopposed. For many he even stands as the only hope the country has at the moment. Indeed, the opposition, and especially the Socialist party, looks so hopelessly weak and divided that there is nothing much to expect from it. As long as the Socialists are unable to resolve their disputes between the advocates of a social democracy (with some regulation of the market economy) and those who still hold onto a revolutionary ideology, they will not be able to come up with any credible or interesting alternatives and Mr. Sarkozy will remain in total control of the political arena with a wide-open field of action.

¹ The French local and municipal elections were held on March 9 and 16, 2008 and turned out to be a big setback for Mr. Sarkozy and his conservative UMP party. The left won 49.3% of the vote, compared to 47.6% for the UMP. At the same time the UMP lost 9 of the 21 big cities it held and now the left runs 25 of the 37 largest French cities.

² Former president Chirac was often perceived, especially during his second term, as being too disconnected from daily issues and too absent from public life. Indifferent, silent, even aloof were adjectives often used by his critics to describe his presidency.

³ “I am the purchasing power candidate” (“*Je suis le candidat du pouvoir d’achat*”) became one of the main slogans of his campaign.

⁴ One of the deadlines which received the most attention during his campaign was the promise to balance the budget by year 2010.

⁵ Immediately following his election, Mr. Sarkozy, with his son and now ex-wife, went on a three-day Mediterranean cruise off the coast of Malta, on the *Paloma*, a 60-meter yacht owned by his billionaire friend, Mr. Vincent Bolloré. Many criticized the president, not so much for taking a vacation, but rather for choosing that particular style of vacation.

⁶ In fact, many have seen in this un-presidential style a partial explanation for the poor performance of his UMP party in the local and municipal elections last March.

⁷ Headline on the cover-page of issue # 2237 of *Le Nouvel Observateur* of September 20, 2007.

⁸ The comment appeared in a tribune published by the daily newspaper, *Le Monde*, on February 23, 2008.

⁹ This remark was made to a journalist during a televised press conference on January 8, 2008.

¹⁰ President Sarkozy’s salary jumped from \$146,000 to \$346,000.

¹¹ The 35-hour week was introduced in 2000 by the Socialist government headed by former Prime minister, Mr. Jospin. By reducing the legal weekly full-time working to 35 hours, down from 39 (with identical benefits and compensation), the government was seeking to create some 750,000 new jobs nation-wide. The results fell short of expectation but their interpretation became heavily political: the Socialists defended vehemently their initiative while the conservative opposition condemned it unanimously.

¹² The MEDEF (*Mouvement des Entreprises de France*) or Movement of the French Enterprises is the largest union of employers in France. It was created in October 1998 to replace the National Council of French Employers (*Conseil National du Patronat Français – CNPF*).

¹³ The official numbers published by the Budget Department (*Ministère du Budget, des Comptes publics et de la Fonction publique*) show a steady deterioration of the budget deficit in the following months: 51.4 billion by the end of July 2008 against 48 billion the year before, 56.6 billion at the end of September against 52.2 billion the year before and 60.7 billion by the end of October against 52.7 a year before.

¹⁴ Germany has a balanced budget, Spain has a surplus, and even Italy is doing better. Only Portugal and Greece are in a similar situation.

¹⁵ This happened at the end of March 2008, in the city of Maubeuge in Northern France and was reported by the daily *La Voix du Nord*.

¹⁶ The acronym SNCF stands for *Société Nationale des Chemins de Fer français*, the national railway system.

¹⁷ Ifop stands for *Institut français d’Opinion publique* – French Institute for Public Opinion.

¹⁸ The special regimes are the railway, bus, metro, gas and electricity workers entitled to a full pension after 37.5 years of contributions against 40 years for everyone else. The beneficiaries of those special regimes have reluctantly accepted a longer contribution period, but Mr. Sarkozy had to give ground. In return for those 40 years of contribution, he agreed to increase pay grades on which pension benefits are calculated