

Would French Far Right moderate once in power?



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OPINION

Following a trip to Paris in late 2022, I wrote a controversial research note pushing back against the conventional wisdom of the time. Following his re-election earlier that year, French President Emmanuel Macron, I argued, would continue to rule like Napoleon, hubristically enacting prudent but unpopular reforms by decree, rather than by securing parliamentary majorities. I predicted that by the time of the next European elections, his party would have fallen fully out of favor, allowing Marine Le Pen's Far-Right National Rally to win in a landslide.

In this scenario, Macron would be left to govern with an even weaker minority government, and investors, fearful of a Le Pen victory in the 2027 presidential election, would impose market discipline: higher interest-rate premiums and lower stock prices. But this would become a self-fulfilling prophecy because the market would be forcing Macron to push through even more unpopular austerity measures by decree.

Unfortunately, this slow-motion train wreck has proceeded as I expected. Following his party's rout in the European elections last month, Macron unwisely dissolved the National Assembly and called a snap election. At best, he will be left with a hung parliament and a minority government too weak to withstand a no-confidence vote. But the more likely scenario is that National Rally will win the election and run the next government in an emasculating "cohabitation" arrangement with Macron's administration.

If National Rally were to secure an absolute majority in the second round, would it pursue its dangerous Far-Right vision of reckless fiscal expansion and anti-EU unilateralism, putting it on a collision course with the European Commission? Or would it moderate and present itself as a more traditional party in the way that Italian Prime Minister Giorgia Meloni's Brothers of Italy has done?



Marine Le Pen (R) and her possible prime minister Jordan Bardella
FINANCIAL TIMES

Full "Melonization" is unlikely for multiple reasons. For starters, Le Pen's campaign program and stated views are much further to the Right than Meloni's. Second, Italy's Right-wing government played nice because it stood to unlock nearly €200 billion (\$217 billion) in EU funds (grants and low-cost loans) under the post-pandemic recovery plan. France, by contrast, is a net contributor to the EU budget. Third, Meloni started with less anti-EU baggage and a more pro-NATO, pro-Ukraine tilt, whereas Le Pen's party is historically Euroskeptic and has benefited from Russian financing in the past. And whereas former Prime Minister Mario Draghi, a widely respected technocrat, provided "parental guidance" to an initially naive Meloni, Le Pen might be on her own. Still, there are several reasons to think that Le Pen and her deputy, Jordan Bardella (as prime minister), would be partly Melonized. First, most parties do moderate once in power, simply because the task of governing imposes demands above and beyond what any opposition party needs to worry about. Second, if Le Pen wants to become president in 2027, she must prove that National Rally can govern competently, and this may require a coalition with more moderate forces.

Moreover, both the European Union and the European Central Bank can influence French policy positions through various carrots and sticks. France is already subject to a European Commission procedure that requires it to reduce — and certainly not increase — its deficit; and the ECB can provide conditional or even unconditional support to reasonably well-behaving countries whose sovereign

interest-rate spreads have widened excessively. Indeed, some have suggested that if ECB President Christine Lagarde, a former French finance minister, proves accommodating to Le Pen, there could be some "parental guidance" after all.

If all else failed, market discipline — in the form of a widening sovereign spread and a sharply declining stock market, or even a rating downgrade — could still prevent overly reckless fiscal policies, or at least force a reversal of such policies after the fact. Bond vigilantes remain the foremost binding constraint on economic recklessness in most countries. They are why Liz Truss's government in the United Kingdom lasted just 44 days.

If National Rally is smart, it will moderate its fiscal program and placate its base — a la Meloni — by emphasizing security, law and order, and immigration restrictions. If it suffered any economic or social policy setbacks, it could simply blame Macron, the EU,

and "evil" investors, bolstering its argument that it should be handed the presidency, too. That said, a National Rally-led government would face serious risks and challenges in the form of civil disobedience, bureaucratic ("deep state") resistance, labor strikes (organized by the Far-Left leader Jean-Luc Mélenchon), protests by students and teachers, and potentially the kind of violence that exploded last year in the predominantly Muslim banlieues (low-income suburbs) following the police killing of a young French Muslim. If France, a country famous for mass demonstrations and revolutions — even when more moderate regimes are in power — is governed by a Far-Right party, and the second-largest parliamentary grouping is from the Far Left, constant turmoil, and potentially violent chaos, could become the norm.

Cohabitation with Macron would make the situation only more complicated. The president, who once compared himself to Jupiter, would

become a lame duck, and he might even decide to resign, thus triggering a presidential election before 2027. Even if the current election leads to a hung parliament, Macron's government could be toppled by a no-confidence vote, leading to a lame-duck caretaker government that few of the president's remaining allies would want to stick around for. Thus, Macron may still resign even in the hung parliament scenario.

In either scenario, the establishment would be even further discredited, and Le Pen would be well-positioned to build on her current support. There are no obvious, charismatic politicians who could challenge her in the presidential election. Unless she and Bardella self-destruct, they will come to power sooner or later. But when they do, they may be Melonized sufficiently to alleviate many observers' worst fears. That is the hope, anyway.

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Emmanuel Macron (R) and Marine Le Pen pose for photographs before the start of a live face-to-face televised debate on French public national television on April 20, 2022.
AFP

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