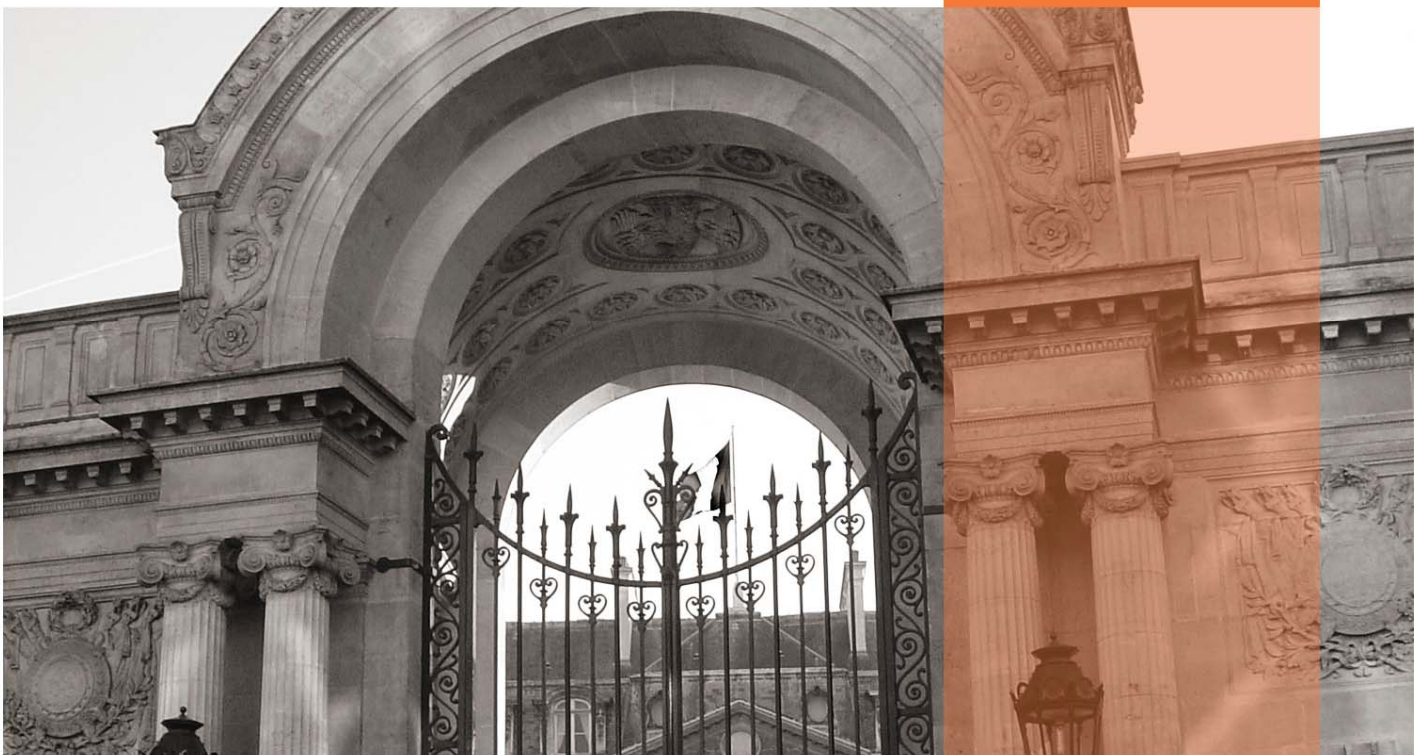


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French 2008 local elections: local issue or national test for President Sarkozy?

By APCO Worldwide's Paris office

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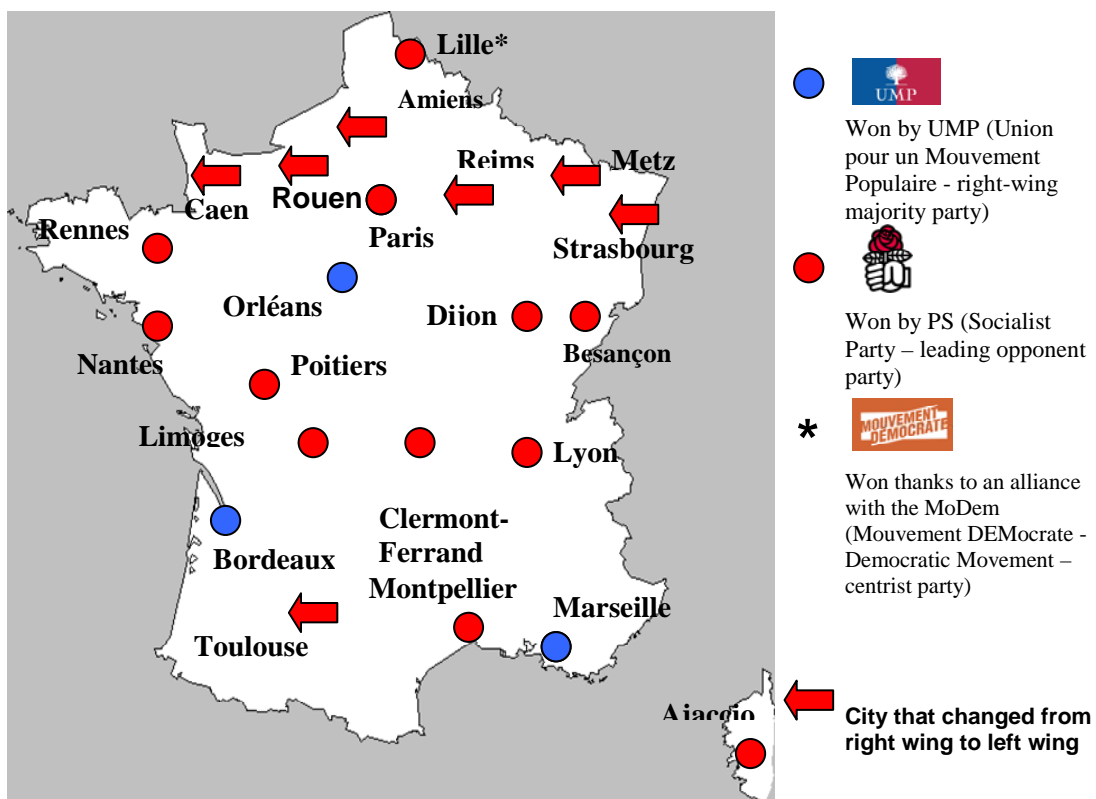
OUTCOME

LOCAL ELECTIONS, NATIONAL MESSAGE?

French citizens voted to elect their mayors on March 9 and 16. In the second round of polling that took place last Sunday, the French Left appeared to have won the day, taking 49% of the votes against 47.5 % for President Sarkozy's Conservative Alliance. This outcome is in strong contradiction with the results of the May 2007 Presidential elections, where Conservative candidate Nicolas Sarkozy was elected with a 53% share of the vote against his Socialist opponent, Segolène Royal. This result also marks a sharp contrast with the last municipal elections in 2001, where a number of cities went to the Right, giving the Conservatives a majority of city councils in the country. Finally, at 35%, the abstention rate reached its highest level for local elections since 1959. This strong "no show" by voters has been widely interpreted by observers as a strong signal of discontent sent to President Sarkozy. His own electoral base is rebuking him for lack of results on past promises.

The main question raised by this ballot pertains to the reading of the results. Are they to be read, as a number of Socialist leaders have clamoured, as a vote of "no confidence" sent to the current government, 10 months after taking office? Or, are these results solely to be read with a local lens, not to be extrapolated at national level, as the various Conservative leaders have repeatedly asserted?

President Sarkozy has reacted (see below) by mildly reshuffling his cabinet, to give more visibility to issues that he sees at the heart of the French people's preoccupations. At the same time, both he and his Prime Minister François Fillon have reaffirmed that the only way to deliver on the promises made during the 2007 presidential campaign was to continue and actually accelerate reforms.



MAIN POLITICAL TRENDS

The main lesson to be learned from last week's ballot seems to be the very strong bi-polarisation of French political life. Whereas before, each camp had to make alliances with smaller political parties to win and govern, these municipal elections have clearly confirmed the emergence of the two main political parties – the Socialists and the president's UMP – at the expense of all other political formations.

Four trends are clearly perceptible following this ballot:

- 1- **Upsurge of the left.** First of all, the Socialist Party progressed markedly and strengthened its position as the leading opposition party. The Socialists tried to transform the poll into a test in favour of or against government policies. Once the results were released, they stated that voters expressed general discontentment with economic and political choices made since the 2007 presidential election. The Socialists have clearly emerged as the main contenders on the Left, refusing on many occasions, alliances with either the Communist Party or the Centrist Party MoDem, and federating on their own the left-wing vote.
- 2- **Limited damages for UMP.** For the right-wing presidential majority party (Union pour un Mouvement Populaire - UMP), the split of vote, while unfavourable, is still better than expected. Moreover, 17 out of the 21 current Ministers in competition got elected or re-elected, despite sometimes very challenging situations.
- 3- **Failure of MoDem to become a credible Centrist alternative.** The defeat of its leader François Bayrou, who failed to be elected in Pau (South Western France), exemplifies the difficulty for this recently created party to find its place in the French political arena.
- 4- **Decline of the Front National.** Following on the 2007 presidential elections, the Extreme Right "Front national" had a very poor showing, confirming its decline. Such backlash is regarded as the result of Nicolas Sarkozy's strategy since 2002: reaching out to Front National's voters.

BALLOT ANALYSIS: PROSPECTS FOR MAIN POLITICAL ACTORS

A WARNING FOR PRESIDENT SARKOZY AND HIS TEAM

According to a survey made by the biggest French polling institute (IFOP), 66% of voters declared that they voted mainly according to local considerations. While the idea of a "vote of punishment" against President Sarkozy is not shared by everyone, most observers agree that the results of these local elections are to be considered as a warning to the President. An opinion poll conducted by IPSOS and DELL on March 16 showed that 45% of people would like to see President Sarkozy less involved in the implementation of government policies - which is a clear questioning of his style of presidency. However, and it should be noted, the current dissatisfaction with the President does not reflect on his government (Prime Minister Fillon, with polls between 56 and 59% of favourable opinion remains highly popular) nor on the agenda of reforms still to be implemented. The message from the high abstention rate (35%) is very much interpreted as right-wing voters' show of dissatisfaction with the style of the Sarkozy presidency (especially the over-exposure of his personal life) and the lack of results from reforms already engaged.

MODEM'S FAILURE

Centrist leader François Bayrou, who came as a strong third contender at the first round of the 2007 presidential elections, failed to transform his Party, the MoDem (MOuvement DEMocrate) into a credible Centrist alternative. As it refused to negotiate at national level with either the Socialists or the UMP, the MoDem was therefore engaged in a confused (and widely criticized) alliance strategy, partnering with either right-wing or left-wing candidates, as long as they agreed to secure seats for its representatives in city councils. Yet, in most cases, allies were not always the most relevant ones – in Paris for instance, the MoDem will have no representatives at all. More importantly, MoDem's centrist/liberal message is blurred, and all the more so as opinion polls reveal that its members tend to vote more for the Left than for the Right – a trend which Socialist leaders do pay attention to.

THE SOCIALISTS: FROM A LOCAL SUCCESS TO A NATIONAL OFFENSIVE?

The Socialists' victory may transform them into a strong “local counter-power”, all the more so as, following last weekend's ballot they now control a majority of France's local communities (a majority of municipalities and county councils, and 20 out of the country's 22 regions). Furthermore, as mayors are part of the Electoral College electing Senators, the weekend's results will also strengthen the Socialist presence in the Senate – though not enough to challenge the current right-wing majority in the Upper House.

Last weekend's success will however not hide for long the dissension within the Party and its leadership – a key issue to be decided during the Socialist Party's next congress, likely to take place in November 2008. Indeed, the triumphal re-election in Paris of Bertrand Delanoë, with close to 58% of the vote, reinforces his image as a credible candidate to become the Socialist Party's First Secretary, a position also coveted by former presidential candidate Ségolène Royal. While the former refuses any compromise with the Centrists, Ségolène Royal is definitely engaged in a social-democratic strategy and ready to partner with Centrists from the MoDem.

IMPACT ON GOVERNMENT POLICY

MINOR IMPACT ON GOVERNMENT POLICY

No great change is expected in the overall direction of Prime Minister Fillon's government. President Sarkozy says he heard the message delivered by the polls – which is, in his opinion and in that of UMP leaders, a call for more reforms, more visibility on government actions, and for a real answer on French people's main aspiration on purchasing power. Prime Minister François Fillon clearly adopted this stand while stating that it is necessary to speed up reforms, and continue efforts on existing priorities: employment issue, purchasing power increase, and curbing of public deficits. Labour Minister Xavier Bertrand is as willing to address French citizens' so-called ‘impatience’ when he says: *“People want to see some results. They said: ‘Results have to come more quickly Mister Minister.’ Nobody asked us to stop reforming the country”*. (Interview in the French newspaper Le Monde, published on Monday 11 March 2008).”

POLITICAL ADJUSTMENTS IN THE GOVERNMENT AND THE PRESIDENT'S TEAM

As a result, the announced cabinet reshuffle was very limited. Both President Sarkozy and Prime Minister Fillon were indeed reluctant to have a major reshuffle. There were two main reasons for this:

- President Sarkozy campaigned last year on the principle of a contained team of Ministers, and did not want to appear as going back on his word;
- Most Ministers are already engaged in the preparation of the upcoming French Presidency of the European Union starting in July 2008. As a result, all key Ministers have been confirmed in office (see annex) while the “openness” policy (having in the government leaders from the opposition, such as the current French Foreign Affairs Minister Bernard Kouchner) was not pursued. Indeed, no new ministerial positions were created, and the 6 new Junior Ministers who are joining the government are all members of President's Sarkozy's majority.

Six new 'Junior Minister' portfolios were created:

- Mr. Hubert Falco, newly elected mayor of Toulon and former junior minister in charge of the elderly (2002-2003) has been appointed **junior minister of land planning**,
- Mr. Eric Besson, is now in charge of **digital economy**, in addition to his existing functions as junior minister for prospective and public policies' assessment.
- Mr. Christian Blanc has been appointed **junior minister in charge of the development of the Parisian region**. He will be in charge of conducting the administrative and legal reform aimed to bring together Paris and its nearest suburbs into a single entity with dedicated competencies – an idea which strongly displeases the mayor of Paris, Bertrand Delanoë.
- Mr. Laurent Wauquiez, former government spokesperson, and considered as one of the UMP's rising stars, has been appointed **junior minister for employment**, reporting to economy minister. For most observers, the creation of such position is a clear signal of the President's will to focus on economic concerns and all issues relating to purchasing power.
- Mrs. Anne-Marie Idrac, former CEO of French Railways (SNCF) and former junior minister (1995-1997) has been appointed **junior minister for external trade**, also reporting to the economy minister.
- **Family issues** will now be dealt with by Mrs. Nadine Morano, current UMP spokesperson who is said to have, after a few months of cooler relations, regained her influence with President Sarkozy.

Also interesting is the change that occurred in Nicolas Sarkozy's core team. Current 'sherpa' Jean-David Levitte has now become the official spokesperson on French foreign policy issues, while the Elysée's Secretary General Claude Guéant, is now in charge of commenting on Home Affairs; the Elysée's former spokesperson David Martinon, widely criticised for his omnipresence in the media, should take the position of French general consul in New York.

CONCLUSION

Despite its poor showing in the weekend's local elections, the government is determined to pursue its political and economic priorities. The government's reading of these elections is that its electorate has sent it a strong signal of discontent for not having addressed its preoccupations (notably in terms of purchasing power) and not having undertaken much needed reforms. The government will also most probably change its methods by working more closely with its Parliamentary majority. Prime

Minister François Fillon has vouched to work much more closely with MPs both in the elaboration of upcoming reforms and in taking into account parliamentary amendments. Working on the upcoming bills relative to the modernisation of the French economy, constitutional reforms, pension reform, health insurance reform and labour market reforms, the government will work to give more legibility and visibility to its actions and results.

ANNEX: THE NEW FRENCH GOVERNMENT

- Prime Minister: François Fillon
 - (NEW) Junior Minister – Prospective and Digital Economy: Mr. Eric Besson
 - Junior Minister – Parliamentary Relations: Mr. Roger Karoutchi

- State Minister for Ecology, Sustainable Development, Land Planning, and Energy: Jean-Louis Borloo
 - Junior Minister – Transports: Mr. Dominique Bussereau
 - Junior minister – Ecology: Mrs. Nathalie Kosciusko-Morizet
 - (NEW) Junior Minister – Land Planning: Mr. Hubert Falco
 - (NEW) Junior Minister – In charge of the Development of the Parisian region: Mr. Christian Blanc

- Minister for Economy, Industry and Employment: Mrs. Christine Lagarde
 - Junior Minister, Government spokesperson – Industry and Consumption: Mr. Luc Chatel.
 - (NEW) Junior Minister – Employment: Mr. Laurent Wauquiez
 - Junior Minister – Trade, SMEs, Tourism: Mr. Hervé Novelli
 - (NEW) Junior Minister – Companies and External Trade: Mrs. Anne-Marie Idrac

- Minister of Immigration, Integration, National Identity and Co-development: Mr. Brice Hortefeux.

- Minister of Labour, Social Relations, Solidarity and Family issues: Mr. Xavier Bertrand
 - Junior Minister – Solidarity: Mrs. Valérie Létard
 - (NEW) Junior Minister – Family issues: Nadine Morano

- Minister for Home Affairs, Overseas territories and Local communities: Mrs. Michèle Alliot-Marie
 - Junior Minister – Local communities: Mr. Alain Marleix
 - Junior Minister – Overseas territories: Mr. Yves Jégo.

- Minister of Foreign Affairs: Mr. Bernard Kouchner
 - Junior Minister – European Affairs: Mr. Jean-Pierre Jouyet
 - Junior Minister – Human rights: Mrs. Rama Yade
 - Junior Minister – Cooperation and French-speaking communities: Mr. Alain Joyandet

- Minister of Health, Youth, Sport and Community Life: Mrs. Roselyne Bachelot-Narquin
 - Junior Minister – Sports and Community Life: Mr. Bernard Laporte

- Minister of Justice: Mrs. Rachida Dati.

- Minister of Agriculture and Fisheries: Mr. Michel Barnier

- Minister of Culture and Communication: Mrs. Christine Albanel

- Minister of National Education: Mr. Xavier Darcos
- Minister of Higher Education and Research: Mrs. Valérie Pécresse
- Minister of Defence: Mr. Hervé Morin
 - Junior Minister – Defence and War veterans: Mr. Jean-Marie Bockel
- Minister of Housing and Urban Planning and Development: Mrs. Christine Boutin
 - Junior Minister – Urban planning and development: Mrs. Fadela Amara
- Minister of Budget, National Accounts and Civil Service: Mr. Eric Woerth
 - Junior Minister – Civil Service: Mr. André Santini
- High Commissioner for Solidarity: Mr. Martin Hirsch