# French Political Parties Risk Economic Stability with Costly Campaign Promises Ahead of Election



French political parties are making costly campaign promises in the run-up to the two-round parliamentary election slated for June 30 and July 7, 2024. Both the far-right National Rally, led by Marine Le Pen, and the far-left New Popular Front, a coalition with Jean-Luc Mélenchon’s France Unbowed, are vowing to cut gasoline taxes, lower the retirement age, and raise wages. These pledges could exacerbate France's existing budgetary issues, already under scrutiny by the EU for excessive debt and deficits.

The impetus for the snap election was a defeat for President Emmanuel Macron’s centrist government by the National Rally in the recent EU parliamentary elections. Macron called the election hoping to prevent a far-right government from taking power for the first time since World War II.

Economists warn these promises could cost tens of billions of euros annually. Macron estimates the right’s plans might cost €100 billion ($107 billion) a year, with the left's proposals costing four times more. National Rally President Jordan Bardella, who aims to become Prime Minister, has criticized these figures without offering specifics on how his party’s plans would be funded. Similarly, the New Popular Front has not detailed the financial impact of their proposals.

A potential shift towards far-right or far-left governance raises concerns about fiscal discipline and economic stability. Should either extreme come to power, France could face higher government bond yields and strained relations within the EU, reminiscent of the UK’s financial turmoil under former Prime Minister Liz Truss in 2022. France’s political and economic direction following this election could significantly impact not only its own stability but that of the entire European Union.