













French Elections: 3Rs for a Win

The economic programs of the four front-runners cater to French voters' changing needs. **Rebalance:** raise competitiveness and reduce deficits. **Reflate:** boost income growth and demand. **Retrench:** taking a step back from Europe & the world

	REBALANCE	REFLATE	RETRENCH
<p>Fillon First a tax breaker, then a rebalancer</p>	 Fiscal devaluation: corporate tax cuts first (increasing the deficit) then VAT increase (rebalancing)	 Some reflation measures to a lesser extent (universal family allowances, suppression of the wealth tax)	 "Social" retrenchment (curbing immigration flows) and nuanced opinion about the CETA
<p>Macron A balanced reflator</p>	 Probable balancing of his reflation measures (abiding by the 3% deficit rule)	 Favoring social mobility with redistribution and labor tax cuts without VAT increase (flexicurity)	 No retrenchment measures
<p>Le Pen A reflatory retrencher</p>	 Plans to decrease the deficit even though the credibility of her program can be questioned	 Strong reflation component, increasing social benefits and defense and security spending	 Primary retrencher: denouncing international norms, immigration and promoting economic patriotism
<p>Hamon A reflator bound to softly retrench</p>	 No rebalancing measure. Abandonment of the 3% deficit objective	 Universal income, increases in investment and public spending (hire civil servants)	 Committed to a soft retrenchment: defying the EU through his will to break fiscal rules