

Macron vs. Le Pen

What's at stake for businesses, foreign investors & the Franco-American relationship?

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Introduction

The second round of the 2022 French Presidential election will once again pit incumbent Emmanuel Macron against far-right candidate Marine Le Pen. The gap between both candidates is expected to be far narrower than in 2017, where Emmanuel Macron secured two thirds of the vote. Latest polls¹ only give the incumbent president a slight edge with a 53–47 lead over Marine Le Pen. Certain polls² predict an even slimmer margin.

In this Policy Flash, AmCham France breaks down both candidates' positions on key issues pertaining to the Franco–American economic relationship and the companies we represent.

The overall cost of the candidates' programs differ significantly. The Institut Montaigne, a French think tank, estimates that Le Pen's program would cost taxpayers 101.8 billion Euros over the course of her term, versus 44.5 for incumbent Emmanuel Macron.³



¹ [Sondage second tour présidentielle 2022 Rolling IFOP – Fiducial du 13...](https://www.sudradio.fr/actualites/france/sondage-second-tour-presidentielle-2022-rolling-ifop-fiducial-du-13-avril-2022) ([sudradio.fr](https://www.sudradio.fr)), 13/04/22

² <https://elabe.fr/2nd-tour-presidentielle-2022/>

³ <https://www.institutmontaigne.org/presidentielle-2022/>

1 – Corporate Taxation

Emmanuel Macron's first term was marked by a number of measures to alleviate the corporate tax rate, which was 33.3% in 2017 and has gone down to 25% today. He plans to further reduce taxes on business by nixing the 'CVAE', a tax on the added value of companies. Macron has also signaled his intention to ease the costs of insurance against workplace accidents and occupational diseases.



*"We have seen our vulnerabilities, we also know our strengths and we must therefore draw the consequences of these observations. We will have to continue to invest in order to strengthen the competitiveness of our companies, create more businesses and continue to develop these businesses in France."*⁴

- Emmanuel Macron

Marine Le Pen's electoral platform also includes measures aimed towards lowering corporate taxes, although her focus is on unburdening slow and medium-sized companies and encouraging production on French soil. She plans to remove the 'CFE', a tax paid by all businesses based on the value of their real-estate assets. She has also floated the idea of eliminating another production tax, the "C3S", which concerns companies with turnover exceeding 19 million Euros. This exemption would only concern companies located in what she calls "reshoring zones" in order to attract jobs and investments. Where these zones would be located and which companies would benefit from this tax exemption remains unclear at this stage. Finally, Marine Le Pen has hinted at a tax break scheme for employers giving raises to their employees.

⁴ [Emmanuel Macron: la présentation de son programme pour la présidentielle en intégralité – YouTube](#)

2 – Labor

By the end of 2021, France's unemployment rate stood at 7.4%, its lowest level since the 2008 economic crisis. Emmanuel Macron is confident that, if handed another term, he could steer the country towards full employment. To do so, he hopes to overhaul Pôle Emploi, a French governmental agency, which registers unemployed people, helps them find jobs and provides them with financial aid and training. The new agency, which would be rebranded as 'France Travail', would be a one-stop-shop for the nations unemployed, pooling the often discorded and disjointed actors that make up the current system. He also plans to reform the RSA, a form of in-work welfare benefit, by making it contingent on active job searches for the unemployed. The sitting President is also a strong advocate of profit-sharing schemes, which are designed to provide greater financial incentives to employees for the overall performance of their companies. In 2019 he created the "Macron bonus", a voluntary bonus scheme that is completely exempt from taxes and reserved to those earning less than 4,768 euros per month. Last year, 4 millions French people received the Macron bonus, for an average amount of 506 euros. If elected, Macron has suggested he may be favorable for making such profit-sharing schemes mandatory for companies that pay dividends to their shareholders.



"We will pursue employment reforms to adapt it to the economic situation. With a simple system: every time the economic situation improves, we must have rules that further encourage the return to employment. Each time the economic situation deteriorates, we must better protect those who fall into unemployment".⁵

- Emmanuel Macron

⁵ [Emmanuel Macron: la présentation de son programme pour la présidentielle en intégralité – YouTube](#)

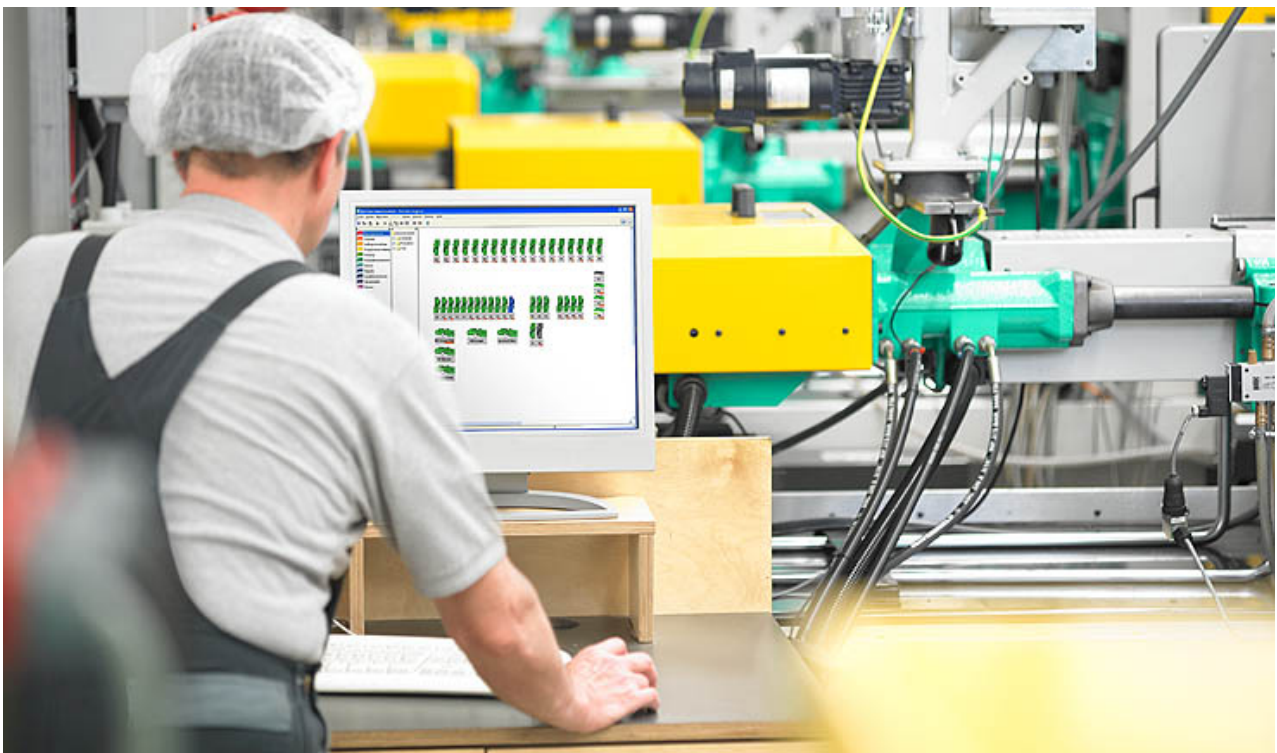
Marine Le Pen's labor platform advocates for the end of posted work, which she describes as "offshoring in disguise". She is also in favor of government subsidies for young hires and apprentices, as well as a change in the legal status of people working through digital labor platforms such as Uber – from self-employed to employees. More so, she is in favor of recognizing burnout as an occupational disease.

The issue of retirement is a key point of divergence in both candidates' platforms. Pension reform is a notoriously undertaking in French politics. Macron's own pension reform plan had to be shelved in light of the multiple crises he faced over the course of his presidency, such as the Gilets Jaunes protests and the pandemic. His newly announced plan would see the retirement age pushed back from 62 to 65 years old. This measure is extremely unpopular with large chunks of the electorate and is seen by political commentators as a significant boost for the Marine Le Pen vote. The Rassemblement National candidate has changed her stance on retirement a number of times. Under her current plan, the system would remain largely untouched.



3 – Reindustrialization

The loss of industrial jobs is not a novel phenomenon in France. Although the industrial sector still accounts for a quarter of French GDP, France is the European country that has seen the most deindustrialization since the 1970s.⁶ The inflation and supply-chain issues that stemmed from the pandemic have made the issue of ‘réindustrialisation’ – or reshoring – a key issue during this presidential election.



Emmanuel Macron’s 2020–2022 recovery plan and his ‘France 2030’ investment plan are largely designed to overturn this trend. Based on four pillars of modernization, innovation, relocation and decarbonation, 35 billion Euros of the 100 billion Euros Recovery Plan are geared towards industrial development across the country. The ‘France 2030’ investment plan should also promote reindustrialization by targeting state investment in key sectors such as healthcare, hydrogen, nuclear energy or sustainable mobility.

⁶ [La désindustrialisation à la française \(franceculture.fr\)](https://franceculture.fr/la-desindustrialisation-a-la-francaise)

Marine Le Pen's plans for reindustrialization involves a strong 'Buy French' policy for public tenders as well as the creation of a French Sovereign Wealth Fund geared towards directing the savings of citizens into assets that are key for French sovereignty. In her program, she also pledges to support ailing sectors of the economy.



"We will have to renegotiate with the European Union to improve the labeling of products in order to promote economic patriotism to re-industrialize the country." ⁷

- Marine Le Pen



⁷ [Marine Le Pen face aux entrepreneurs: le grand oral économique – YouTube](#)

4 – Energy & Environment

The war in Ukraine has severely disrupted the supply of electricity and gas, placing the question of energy – who supplies it, under what form and at what cost – as a key topic of this presidential election. Emmanuel Macron's government has made several moves to shield companies and consumers from soaring energy prices through tax cuts and subsidies. His energy-related campaign promises focus on increasing supply: if reelected, he plans to build six new nuclear reactors and increase the number of wind and solar farms on French soil and its shores. Emmanuel Macron is also in favor of Europe's Carbon Tax project, as well as an overhaul of the European price setting system for energy, which Finance Minister Bruno Le Maire has decried as 'absurd' and 'obsolete', by decoupling the price of decarbonated energy from the price of gas and fossils fuels.



*"The energy production strategy that I propose is based on three axes: continue investments to reduce consumption, massively develop renewable energies, and continue to develop nuclear production by building new reactors."*⁸

- Emmanuel Macron



⁸ [Emmanuel Macron: la présentation de son programme pour la présidentielle en intégralité – YouTube](#)

Marine Le Pen's response to soaring energy prices would be to cut the VAT (Value Added Tax) on fuel, gas and electricity from 20% to 5.5%. Like Emmanuel Macron, the far-right candidate is favorable to increasing the number of French nuclear reactors, but three rather than six-fold. However, she is firmly opposed to the construction of new wind turbines, which she has described as "horrors that cost us a fortune". In her program, she states her desire to eliminate subsidies for wind farms and solar energy (except in France's overseas territories), and to halt all current wind and solar current projects.



"I want to invest in a nuclear plan that is truly capable of producing the electricity needed for the economy. I will be making nuclear energy a decisive asset for our companies." ⁹

- Marine Le Pen



⁹ [Marine Le Pen face aux entrepreneurs: le grand oral économique – YouTube](#)

5 – Diversity & Inclusion

Among D&I matters, equality between women and men was one of Emmanuel Macron's top priorities in 2017, leading to the creation of a new cabinet post, the Minister Delegate for Gender Equality, Diversity and Equal Opportunities. Although gender parity is nearer in France than it was five years ago, inequalities persist. One of the ways in which his administration has sought to tackle the wage gap has been to experiment with a diversity index for large companies, which in the past has been a taboo in France. His electoral platform includes a number of measures to tackle workplace discrimination, racism and sexism.



"Equality for women and men will remain the main cause of my term." ¹⁰

- Emmanuel Macron

So far, Marine Le Pen has made little to no mention of diversity & inclusion causes in her electoral platform, stating only that she supports wage equality.



¹⁰ <https://fr.style.yahoo.com/l-%C3%A9galit%C3%A9-femmes-hommes-sera-215851810.html>

6 – Sovereignty & Europe

Marine Le Pen's stance on Europe could be considered as ambiguous. She has moderated her position since her 2017 defeat and no longer advocates for leaving the Union or the single currency, instead calling for a defined 'Europe of Nations'. Yet, many of her program's key policies on tax, trade and immigration could defy EU regulation and are considered by some political commentators as likely to significantly weaken the Union and, thus, France's ability to do business internationally. Particularly worrisome to Europhiles is Marine Le Pen's intention to propose an amendment to the French Constitution that would see French law supersede European law, which goes against European law and would pit the French government against the rest of the bloc.

Marine Le Pen's vocal admiration for Vladimir Putin and her strong criticism of NATO – she advocates for a French withdrawal from the Alliance's integrated military command structure – would likely weaken Western forces as well as France's international position. Although she has condemned the invasion of Ukraine, the relationship between Marine Le Pen's party and Putin's regime remains ambiguous.

As nationalist, Marine Le Pen would also seek to stop the liberalization and privatization of certain public services such as highways. She also wants to regulate capital movements to avoid tax evasion and speculative attacks against France.



*"We will encourage the voluntary purchase of French products by consumers and I will protect our companies from unfair competition. Fair trade must replace free trade."*¹¹

– Marine Le Pen

¹¹ [Marine Le Pen face aux entrepreneurs: le grand oral économique – YouTube](#)

European unity, sovereignty and strategic autonomy were at the heart of Emmanuel Macron's electoral campaign five years ago. Over the course of his term, and particularly over the past three months as France took the presidency of the European Council, Emmanuel Macron and France have been strong defenders of the so-called 'European project'. He has called for a new financial & budgetary framework, pushed for European-led global tax reform, advocated for a European army and recommended changes in the operation of the Schengen area, including new arrangements for dealing with migration.

As previously mentioned, Marine Le Pen has been critical of NATO, infamously calling the Alliance 'brain-dead' in 2019, but does not question French membership to the alliance. Quite the opposite, Emmanuel Macron has made a point of showing France has a leading role in NATO operations, and recently claimed that the war in Ukraine has given the Alliance an "electroshock," and helped provide "strategic clarification" for its role.



7 – French–American relations

France and the United States are historical allies and close economic and diplomatic partners. Over the course of his presidency, President Macron has made close ties between both nations a priority, despite a number of difficulties stemming from his differences with former US President Donald Trump and the US's role in the aborted French–Australian submarine deal. Emmanuel Macron has made the attractiveness of France a priority, and has put significant effort in sending positive signals to American businesses. Key to this strategy is the “Choose France” initiative, a popular summit for business leaders held in Versailles. He plans to go even further in cementing the economic relationship between both nations with the creation of the Council for Trade and Technology between Europe and the United States, and a bilateral partnership on clean energy between France and the United States.

Marine Le Pen appears more hostile to the United States in terms of economics and security, despite the fact that she is a known admirer of Donald Trump. Although she has stated her desire to continue to protect France's attractiveness as a destination for foreign investment, her economic program could contradict this. For instance, Marine Le Pen advocates for a “Buy French” policy for public tenders, and has endorsed multiple protectionist policies that could hamper French–American trades, particularly in the agro foods production sector. In terms of foreign policy, she has made a number of statements on Ukraine and Russia that could hamper the French–American relationship. Marine Le Pen also opposes sanctions on Russia that disrupt energy flows to France.



“We are the only ones blindly following an obsolete liberal dogma, based on the complete opening of borders and unbridled free trade.”¹²

- Marine Le Pen

¹² [Marine Le Pen, candidate RN : « Lorsque je serai élue Présidente de la République, j'oserai dire non, et je mettrai en place une véritable politique basée sur l'intérêt supérieur de la France et des Français. » – Forbes](#)



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