

Are French toast?

by *The San Diego Union-Tribune*

France has been in a slow-motion free fall for more than 30 years. Thanks to decades of anemic growth, its standard of living - once among the world's highest - now arguably trails two-dozen nations.

The reasons are obvious: The French economy is a sclerotic mess. Heavy bureaucratic obstacles and high taxes - needed to pay for an extensive, costly welfare state - make it difficult to create new businesses or expand existing ones. Worker protections are so extreme it's difficult to fire even utter incompetents. Yet even as neighbors Britain, Spain and Germany have shown the path to prosperity - relaxing government control of the economy, lowering taxes and creating incentives for growth - the French public has stubbornly pretended that if it just stuck to its ways, things would miraculously get better. French governments since 1995 have repeatedly taken initial steps toward freeing up the economy, only to back down in the wake of mass public protests.

In elections Sunday, the French public finally may shake off its destructive denial. Polls show reformer Nicolas Sarkozy, seen as a moderate conservative, holding a small but steady lead over Socialist Party leader Segolene Royal.

Sarkozy wants to relax rules dictating a 35-hour workweek, limit bureaucratic interference with business, reduce costly pensions for retired government workers and cut taxes.

The contrast with Royal could not be more stark. She asserts that for France's economy to grow, the nation must raise its minimum wage and increase pensions and other benefits.

That is no misprint. Royal actually says adding huge new burdens to the French private sector and government would spur growth.

The idea that nearly half of French voters think Royal's economics make the slightest sense shows what Sarkozy is up against. Even if he is elected, that is no guarantee his reforms will be enacted. The denialists who defend the status quo are entrenched throughout French society, from the intellectuals who think there's something nobly humane about their version of social democracy to the millions of diffident middle-class workers who can't imagine life without a protected job.

Unfortunately, there are steadily increasing echoes of Royal's denialist rhetoric in the United States. Calls for protectionism and demagoguery over globalization can be heard on a daily basis from the left (John Edwards), the right (Pat Buchanan) and the New York bureau of CNN (Lou Dobbs).

The reality, of course, is that the United States, like France, must accept the fact that we are in an era of vast global economic competitiveness and rise to the challenge this era poses. To do otherwise is a proven formula for national decline. We hope French voters realize this - and American voters, too.

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