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The Adoption of the Social Security Financing Bill: First Lessons

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The almost miraculous adoption of the 2026 Social Security Financing Bill, thanks to compromises, the most spectacular of which is the suspension of E. Borne's pension reform law, is not only the result of the tactical skill of S. Lecornu, the Socialist Party, and ultimately the Greens. It is also the result of sustained popular pressure that continued beyond the summer holidays: society did not "give up" on pensions. However, as the leader of the CGT union acknowledged after a very successful day of inter-union mobilization, the ball was now in the court of the parliamentarians. Let's see how they handled it.

L From the Dissolution to the Lecornu-1 Government

A look back is necessary, starting with the July 2024 legislative election triggered by the dissolution, due to the bitterness of a President vexed by his defeat in the European elections. Thanks to the networking skills of Marine Tondelier and the Greens, a "New Popular Front" (PS-PCF-Greens-LFI) was formed on a common program. And in parallel, a Republican Front (FR) against the far right, the National Rally (RN), was called for by various magazines and NGOs, which the NFP joined. It is important to understand that the FR is not of the same nature as the NFP: it is the unilateral commitment of the NFP to withdraw (if in 3rd position in the first round) to ensure the defeat of the far right in the second round, and an appeal (not ratified!) to the center-right and what remains of the "republican right" to do the same. Grassroots activism managed to force most of the right and center-right candidates who came in 3rd place to withdraw, but without always succeeding in getting them to call for a vote for the NFP against the RN. It was therefore predictable that the Republican Front's strategy would overrepresent the center-right, as its electorate would be less willing to vote for NFP candidates than NFP voters would be to support right-wing candidates opposed to the far-right.

This is precisely what happened. In the second round, the Republican Front crushed the far-right by a 2/3 to 1/3 margin. And within this Front, the NFP emerged as the main force in terms of seats (although behind the RN in votes), but without obtaining an absolute majority, given the weight of the center-right (Ensemble, Modem, LIOT) and the right (the Republicans, who were almost miraculously saved... sometimes thanks to LFI voters). Logic dictated that the President should appoint a Prime Minister from the NFP, who would then seek "non-censure" support from the center-right. The candidate finally chosen for this role, Lucie Castets, sent signals in this direction ("willing to seek majorities on a case-by-case basis"), and Jean-Luc Mélenchon, in a conciliatory move, offered LFI's support without participation in the government to defuse concerns. On the left, discussions began about who in the center-right (including LIOT) might accept such a compromise...

Nothing worked. Emmanuel Macron let the Olympic Games pass, then instead appointed a Republican Prime Minister, Michel Barnier, with a center-right and right-wing government seeking the support, without participation, of the far-right, through heavy-handed gestures towards "national preference." But such a majority did not exist, because the RN was already aiming for the presidential election as soon as possible, practically certain of winning: Barnier fell, overthrown by both the NFP and the RN. Instead of returning to reason, Macron persisted and, constrained by his own blackmail, appointed François Bayrou. One might have expected a more "centrist" position from him (he had voted for the Tobin Tax in the European Parliament), but no, he follows the same line as Barnier, insisting moreover on the need to drastically rebalance public finances... but without touching the advantages granted since E. Macron's first term to businesses and the ultra-rich. Advantages that have precisely widened the indeed perilous deficit of the French state. During the summer of 2025, the former partners of the NFP (New Popular Front) are working on alternative budgets. All of them are based on the idea of making the ultra-rich pay while suspending

the Borne reform: the "Zucman tax" becomes the totem of this solution. A solution unacceptable to the right and even to the National Rally (RN), which, close to power and following a trajectory once illustrated by the fascists of the interwar period ("Messrs." Mussolini and Hitler in frock coats...), is beginning its shift, from the populist positions that allowed it to become the leading party of the working class, towards positions more "respectable" to employers.

At the same time, JL Mélenchon acknowledges the double lesson inflicted by E. Macron: the President has the institutional means never to appoint an NFP Prime Minister, and concludes that there is only one solution: to provoke, through institutional chaos, an early presidential election, according to the same scheme as the RN. With the difference that all the polls...

Polls reveal him as the most hated politician in France, far behind potential National Rally candidates, Marine Le Pen or Jordan Bardella. But given the disorganization of his NFP partners, he still has a few chances of reaching the second round, a narcissistic satisfaction before being defeated there. Indeed, to qualify, he only needs to beat the center-right candidate(s) (and these are only further damaging their reputation in government) but also any other candidate from the NFP. A real campaign of attacks against his former NFP partners then begins, accusing them of betrayal because they are not rallying behind his "whoever loves me, follow me" approach. Everyone else is aware that, as things stand, the institutional crisis can only benefit the far-right. In Bagneux, they launch a process of building an alternative to the National Rally, with or without Jean-Luc Mélenchon. They all meet at the Green Party's Summer Days, where Lucie Castets receives a standing ovation, and all of them, particularly the First Secretary of the Socialist Party, Olivier Faure, set two red lines: challenging the Borne reform and re-taxing the ultra-rich, "otherwise we will overthrow any government."

Realizing that under these conditions (without the support of either the left or the far-right) no budget is possible, Bayrou suicidally calls a vote of confidence, and it is rejected on September 8, 2025. Obstinate, Emmanuel Macron appoints a Prime Minister from his own camp for the third time, someone even closer to him: Sébastien Lecornu. Who falls within the day, abandoned by the LR group of Bruno Retailleau. The latter's motivations are unclear. He has recently gained popularity on the right by aligning himself with the positions of the far-right (on immigration, on Algeria, on questioning the rule of law, etc.): does he hope to capitalize on this small gain, with so few cards in his hand?

II. Lecornu-2 and the Social Security Financing Bill

E. Macron feels he has exhausted all his options before his resignation and/or a new dissolution, and he gets S. Lecornu to try again, but this time giving him free rein to build his government and the possible compromises in the same move.

This is when society enters the picture. First, large-scale mobilizations in September-October centered on challenging the Borne Law and defending public services. More profoundly, at the ideological level, there is a general awareness, enlightened not only by the speeches of the left-wing and environmentalist parties but also by the publication of increasingly alarming statistics on the concentration of income and wealth, that the question of sharing national income is at the root of any solution. The Zucman tax is widely supported (without being fully understood or its scope measured), as was the "reinstatement of the wealth tax" in the Yellow Vest movement.

Lecornu-2 understands this double message. He has just been abandoned by the Republicans (LR) and is already unsure of being able to count on Horizon (the part of the LR that, behind E. Philippe, had joined Macron-1). So, unlike previous ministries, he understands that he needs to play the "Republican Front" card. To do the opposite of Castets: from a fragile center-right, negotiate a no-confidence vote with the left. Problem: he is quite alone in his camp in realizing this. And curiously, it was Elisabeth Borne herself who first suggested that, since people didn't want her

never-voted-on pension reform, it could be suspended and made an issue in the presidential election (I say "curiously" because later she would claim that she couldn't vote for a Social Security Financing Bill suspending her reform, and a few days later she would vote for it...).

Only among the NFP (New Popular Front) members outside of La France Insoumise (LFI), the Socialist Party (PS) perceived these subtle signals and agreed to play along: no-confidence vote in exchange for significant gains on the Budget and the Social Security Financing Bill. During the general policy speech, they did not vote for an immediate no-confidence motion, obviously drawing accusations of betrayal from LFI, which thus saw the prospect of chaos (and a knockout blow) receding. Curiously, the French Communist Party (PCF) and even the Greens followed LFI in voting for the no-confidence motion: do they really think that institutional gridlock, immediately leading to the dissolution of the National Assembly or the President's resignation, can benefit the left? Or have they not understood the new rules of the parliamentary game: to use all their (real!) weight to win popular concessions?

Alas, it was the Budget that first came before the National Assembly, and the first "red line," the taxation of the ultra-rich through a Zucman tax, was rejected in plenary session (even though it had been accepted in a previous non-decisive vote). The reason? Fundamentally, it's because the right is by definition pro-rich. But also because the National Rally (RN) continues its quest for recognition by the business community. Thus, in just a few days, we see the RN rejecting even a super-tax on super-profits. and finds itself completely isolated in rejecting the introduction of "lack of consent" into the definition of rape! A typically Trumpian fusion of masculinism and the defense of big capital. The amendments for the redistribution of income and wealth proposed by all factions of the former NFP are therefore rejected, either in the National Assembly or the Senate: any compromise seems possible.

Instead, the government proposes a slight expansion of the IFI (Real Estate Wealth Tax) towards a substitute for a tax on "unproductive" wealth: including... the euro-denominated funds of life insurance. A grotesque measure: does it want the two-thirds of households holding life insurance to transfer all their euro-denominated funds (which finance the state debt!) to UC funds on the Nasdaq or gold mines on December 29th, only to return them in January?

Then comes the "catch-up" test: the debate on the Social Security Financing Bill (PLFSS). This time Lecornu plays his hand: the suspension of the Borne reform until the presidential election. Outcries from LFI: this suspension is only a "postponement" (as E. Macron also says). LFI thus implies — what an admission! — that we will not win the presidential election, so the reform will resume. Outcries also from the right (LR and Horizon) who swear they will never vote for the suspension. But Lecornu has already noticed that when it comes to fragility, there's always something even more fragile: the LR ministers he chose are excluded from their party, but most remain loyal to him. In the center-right (Ensemble, Modem, LIOT), with tears and gnashing of teeth, they are gradually resigning themselves to voting for it, "out of a sense of duty to the state."

The non-LFI left acknowledges the suspension project, but denounces the rest of the PLFSS as a "museum of horrors": freezing of all social benefits, doubling of medical deductibles (the "aspirin tax"), etc. Because of this, the environmentalists are leaning towards rejection. But the dice are still rolling: one by one the "horrors" are disappearing, because those on the right who are playing the "chaos" card, and thus advocating a return to the voters, know that they will be rejected if they vote for "this." And the Socialist Party, cleverly, proposes and obtains an increase in the CSG (general social contribution) on profits to finance the suspension.

There comes the vote on the "suspension" article. It passes, because the Socialist Party and the environmentalists (for whom the reduction of working time is at the heart of their economic project) vote for it. The National Rally also votes for it: they know that the debate will return to the center of the presidential campaign. But, to everyone's astonishment: LFI and the French Communist Party vote against it, that is, they vote to maintain the application of the Borne reform! Such nihilism is incomprehensible. One can reject the entire Social Security Financing Bill because "everything else is bad." But here, it's a specific vote on the single point of the suspension! Either these parties have self-intoxicated themselves by constantly claiming that it was "a scam," or they think that the more unhappy employees are, the more they will vote for the left... A grave historical error. It should be noted, however, that the

main Mélenchonist leaders, including the chairman of the finance committee, E. Coquerel, discreetly made themselves scarce, leaving their group leader Mathilde Panot to manage this aberration. You never know...

This vote, however, appears as a victory for the Socialist Party alone, since the environmentalists are still announcing that they will vote against the entire Social Security Financing Bill, thus abolishing the suspension. Since the beginning of the debates, their position, generally aligned with the opposition stance of LFI, has placed them outside the game: the press no longer talks about them, in stark contrast to the central role they acquired the previous year. Understanding that they had to engage in the parliamentary process, they realized that, excluding the right-wing parties, LFI, and the National Rally, who announced they would vote against the entire text, they now held a decisive position: either they voted against it, and it wouldn't pass, or they abstained, and it could pass if enough centrists (such as those in the LIOT group) voted for it along with the Socialist Party. Until now, they had simply claimed that "it's the Socialist Party's fault for not negotiating enough," but what had they negotiated in exchange for their non-opposition? They finally understood that "It's a terrible advantage to have done nothing, but one shouldn't abuse it." Fortunately, one "horror" had not yet materialized and remained within their reach: the mediocre growth of the ONDAM (national health expenditure target), which was only 2%, even though the crisis in public hospitals has become (and not just since Macron...) a disgrace for a developed country. They secured a 3% increase as the price for their abstention. The Social Security Financing Bill passed by a narrow margin... with congratulations not only from the CFDT but also from the CGT health services union!

III. Epilogue and Perspectives

As I write these lines (December 14, 2 a.m.), it is likely that the Social Security Financing Bill will be definitively adopted, without further recourse to the right wing, after its passage through the Senate.

(who does not make the final decision). On the other hand, it's unclear how the Finance Bill (the 2026 State Budget) could be passed: all serious compromise options between the center-right and the left have been rejected in the first reading, and Lecornu would need imagination and procedural genius to reintroduce them at this stage. But since he won't use Article 49.3, his budget will likely fail, but he won't! There will then be a "special law" extending the 2025 budget, and the debate will resume from scratch after January 1st. In the meantime, the center-right is complaining that the Socialist Party has already obtained its compromise on its first red line, the suspension of the Borne reform, and must therefore give way on the second, tax justice. Such tit-for-tat retaliation is not in keeping with the customs of French parliamentarism (unlike in the European Union), and in any case, the center-right no longer has the means to impose it.

Some have criticized the Socialist Party's focus on the retirement issue. Yet this is a question of the conquest (in this case: the defensive preservation) of free time. Without even invoking Aristotle or André Gorz, it is indeed the main indicator of anthropological and ecological progress, once essential needs are met. Even a simple "postponement" for a year and a half is a gain for hundreds of thousands of families (a generation and a half) and for as many young people looking for jobs who will be able to fill the positions thus freed: a vote against the suspension (or postponement), that is, for maintaining the Borne law, was simply an act of social sadism (or pure stupidity). One might argue that a 32-hour week would be medically more advantageous, but the French are attached to this truly free time gained in 1981: retirement at 60, which created the "third age". Admittedly, life expectancy has increased since that date, but a careful analysis of the timeline of the increase in life expectancy at age 60 shows the decisive role of this very reform in this extension of human life. Certainly, the birth rate, and therefore the number of available workers aged 18 to 60, will decrease, but as always since 1918, immigration will be able to compensate for this.

And above all, productivity has increased even more than the birth rate has decreased. Measured in "abstract labor" (with the multiplier coefficient of qualification, and therefore productivity), the annual production of wealth can only increase. However, the share of annually produced wealth allocated to seniors (pensions + medical care) is bound to

increase. The question is how to organize a fair levy on the annual product to finance it (whether this takes the form of redistribution or capitalization does not change this share). Yet there is no reason why only workers (mainly salaried employees, but not exclusively) should pay for their own retirement and their own healthcare. They produce all the wealth, including through the skilled labor incorporated into the system of machinery.

Furthermore, society faces other challenges for the immediate future: the ecological transition, but also, unfortunately, the necessary rearmament in the face of the rise of authoritarian national-capitalisms, illustrated by the Russian aggression against Ukraine. The idea that simply possessing the Bomb is enough to guarantee our freedom to collectively choose our lives (still proclaimed by LFI during the defense debate) does not stand up to experience or reflection: mutually assured destruction, the cornerstone of the myth of nuclear deterrence, would certainly not be voted for by the Ukrainians, even if they still had the nuclear arsenal abandoned during the Budapest Memorandum! In short, both the budget deficit and the social security deficit must be reduced, even though the State has new mandatory expenditures. All serious economists therefore believe that "making the very rich pay" is certainly necessary but not sufficient: it is also necessary to increase "broad-based" taxes, and this is precisely why restoring tax fairness is essential, so that these broad-based taxes are socially acceptable. What could these taxes be?

Regarding broad-based taxes, we have social security contributions (but these are based only on direct labor, whereas profits, robots, and AI should also be taxed), and VAT. The latter is viewed unfavorably by the left because of the fallacy that even the unemployed person pays it on what they buy. In fact, they also pay all the social security contributions and wages that contributed to producing the goods they buy, plus the profit of the selling company, and therefore the corporate tax on that company's profit! This form of reasoning is therefore worthless. Shifting a large part of social security contributions to a social VAT, as the Green Party's program proposed as early as 1992, is one option.

This approach would have the advantage of taxing machinery and profits and would also have a protectionist effect (since VAT is applied to imports, for example from Shein) and a competitive effect (since it is deducted at the border). The social democracies of Northern Europe have understood this well. The CSG (General Social Contribution) has the same advantages, minus the protectionist effect that our struggling industry desperately needs.

As for redistributive taxation, we have income tax, but we know how the wealthy evade it: it is no longer progressive. We can reform it, and above all, "patch it up" with a full return of the wealth tax, the *Zucman* tax, or another form of taxation indexed to assets, without distinction of "productivity" (jewelry, housing, bonds, or stocks are not anyone's "tools of the trade," and it is absurd to tax labor but not the tools). And above all, there's the need to tax inheritances more effectively.

The fact remains that this sequence of events has further widened the rift within the left. However, it was the rift that determined the sequence, not the other way around. The Greens were paralyzed by the legitimate concern of not widening this divide, and they are right: the left cannot win without the LFI (France Unbowed) electorate. That being said, you can't make a horse drink if it's not thirsty. Jean-Luc Mélenchon is no longer seeking unity because he has understood that to reach the second round, it is enough to beat the multiple center-right candidates: Édouard Philippe or Gabriel Attal, etc. But this is also true for the non-LFI left! The fact remains that if we want to win, we must rally the rest of the left and the republican center in the second round, while still courting the LFI electorate. This excludes both Mélenchon and Raphaël Glucksmann...

Translation : John Ely