

The Fiscal Tightrope: Can France Cut Debt Without Losing the Street?



PARIS, FRANCE - Nationwide student protests (Photo by Tom Nicholson/Getty Images)

France's rising public debt is putting increasing pressure on public finances and narrowing the government's room for manoeuvre. As social discontent grows, the challenge is no longer limited to reducing the deficit, but also concerns the state's ability to respond to public demands while maintaining economic stability.

From Fiscal Pressure to Political Constraints

France's public debt stood at 115.7% of GDP at the end of 2025, is expected to hit a record 119.3% in 2026, and is projected to reach 121.7% in 2027, according to the French Treasury. The government's proposed €54 billion in savings for the budget reflects the pressure to contain expenditure and restore fiscal credibility. However, parliamentary divisions and opposition to spending restraint make these measures politically difficult to implement. The fiscal challenge extends beyond economic indicators. Protests over living costs and underfunded public services reveal the tension between citizens expectations and the state's financial capacity. Meanwhile, higher borrowing costs could further constrain public spending. The protests did not cause France's debt burden, but they expose the difficulty of addressing structural economic problems while maintaining public trust.

Questions of Interference

Can the government restore fiscal stability without deepening social discontent? And if financial constraints limit its ability to respond to citizens demands, could the debt burden become a broader

challenge to state legitimacy? As policymakers debate the budget, the outcome will largely depend on whether the administration can maintain this precarious fiscal tightrope, balancing necessary expenditure cuts with the economic realities visibly playing out on the street.