France: how to pass a budget bill?

- **Prime Minister Sébastien Lecornu presented the general budget bill and the social security budget bill on 1 October, and the National Assembly started discussing them on 7 October.**
- **We published a paper on the key elements of this project and insisted on the fact that slightly more than half of the EUR43bn of savings are expected to be made on the social security budget.**
- **In this paper, we review the different options for the government to pass these budget bills: you might remember the same sequence of events that happened one and two years ago: a vote, the use of article 49.3, the special law and article 47. We also review the episodes during which the government used the different options, and we detail the recent use of article 49.3 for budget bills.**
- **This year is slightly different from previous years, as the presidential campaign could influence the discussions and the government's options. Besides, the current government knows that this is its last budget bill and that in eight months at best, there will be a new government.**



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Let the process start (again)

Lecornu presented the general budget bill (*projet de loi de finances* – PLF) and the social security budget bill (*projet de loi de financement de la sécurité sociale* – PLFSS) for 2027 on 1 October. The National Assembly started discussing the first text, and has, theoretically, until 21 December to adopt the general budget bill – it has until 1 December to adopt the social security budget bill.

Since the 2024 dissolution, France has passed two budgets (2025 and 2026). The 2025 discussion concluded with the failure of former PM Michel Barnier after trying to pass the social security budget bill using article 49.3 (which the government can use to pass a budget bill without a vote in the National Assembly) in December 2024. It was the first time ever a government was toppled after using article 49.3.

Then the special law (an emergency law to avoid a default on 1 January) was voted (for the second time in French history), and former PM François Bayrou's budget was adopted, after several concessions to both the National Rally (RN) and the Socialist Party (PS) which abstained from the four uses of article 49.3 in February 2025.

For the 2025 budget, you might remember that Bayrou used article 49.1 on 8 September 2025 (Article 49.1: when the PM seeks a vote of confidence of the National Assembly and has to resign if the government does not obtain the majority) and lost the vote – resulting in another first in French history: the loss of an article 49.1.

This was followed by the appointment of Lecornu, his immediate resignation and his immediate re-appointment, in September 2025. This episode wasted time, and the government was not able to present a budget in due time. The social security budget bill was adopted (by a vote, as Lecornu managed to get the support of the PS in exchange for a pause in the pension reform) on 16 December 2025.

However, the government had to rely again (for the third time in French history) on a special law, before passing the general budget bill with Article 49.3 on 30 January 2026 (each of the three uses of article 49.3, because the PS and France Unbowed (LFI) refused to vote in favour of the motion of no confidence put forward by the RN and the RN refused to vote for the motion put forward by the left).

Needless to say that the current discussion will likely be complicated again.

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It could be made even more complicated by the presidential campaign: no party would benefit from making concessions to the government in the current environment. But the upcoming election could also help ensure a smoother adoption of the texts: the RN, which is currently ahead in polls would be better off if this budget does not overshadow the current campaign. Besides, everybody agrees that this budget will likely only last for the first half of 2027. A final argument in favour of a smoother adoption is that all the potential winners of the upcoming elections would prefer to avoid coming into power in the middle of a crisis.

Three texts to adopt

There are three texts to be adopted: the first and second part of the general budget bill and the social security budget bill.

Regarding the general budget bill, the use of article 49.3 can be applied to both parts or just one (Bayrou passed the full 2025 budget bill using article 49.3 just once, whereas Lecornu used article 49.3 three times to pass the 2026 budget bill).

Both the general budget bill and the social security budget bill have to be voted at the National Assembly and at the Senate, but the National Assembly can override the Senate, so let us set aside the Senate-related part and assume that once the law is passed at the Assembly, it is a done deal[1].

Difference between the general budget and social security budget bills in case of no vote

The key difference between the general budget and social security budget bills is that the general budget bill must be adopted before the end of the year, otherwise it could be considered as a sovereign default (there are emergency procedures to avoid that, however). Even under emergency procedures, the continuation of the state budget is constrained under a special law (or article 45.1 of LOLF, see next page), as the expenditures are capped by the budget of the year before. Note that emergency procedures (eg, the Special Law) do not correspond to an unchanged fiscal policy trajectory.

Whereas, if the social security budget bill is not adopted, then the social security code applies, with automatic re-indexation of social benefits – ie, an "unchanged policy" scenario. In other words, if the social security budget bill fails to be adopted, the French people would not feel it; the only point is that there is no fiscal consolidation, as the social security code is applied.

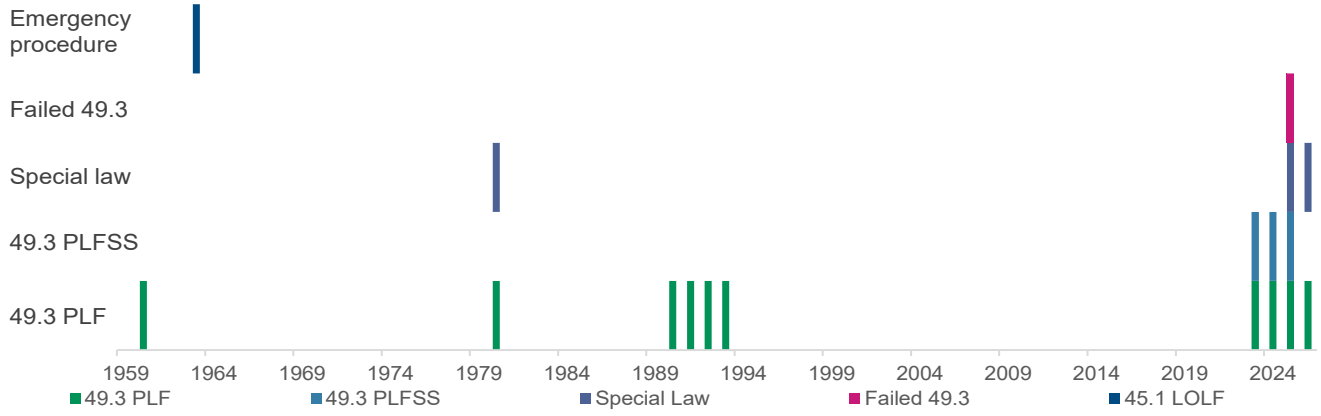
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[1] Under Article 45, paragraph 4 of the French Constitution, the National Assembly has the final say over the Senate on all legislation, including budget bills. The procedure is as follows: after both chambers have each read the text once, the government may convene a Commission Mixte Paritaire (CMP), a joint committee of seven deputies and seven senators tasked with reaching a compromise text. If the CMP fails – or if its agreed text is subsequently rejected – the government may request a further reading in both chambers, and then ask the National Assembly alone to vote a final time called the final reading. At that stage, the Assembly may adopt either the CMP's draft or its own last version, with or without Senate amendments; the Senate has no further recourse.

This mechanism was used for the 2026 social security budget bill: after a non-conclusive CMP and the Senate's rejection of the text on 12 December 2025, the National Assembly adopted the law in the final reading on 16 December 2025, under the conditions set out in Article 45, paragraph 4 of the Constitution, by 247 votes to 232.

How to pass a budget bill?

History of budgets since 1959: one use of the "45.1 LOLF" (emergency procedure), one failed use of article 49.3, three special laws, three social security budgets adopted by article 49.3, ten general budgets adopted by article 49.3; no budget by ordonnance



Source: Crédit Agricole CIB

The adoption of the budget bill is foreseen by article 47 of the Constitution – and if needed by article 49. Its practical modalities are explained in the Constitutional Bylaw on State Budget Acts (*Loi Organique des Lois de Finances* – LOLF).

Standard procedure

The government presents the budget bill and the social security bill. The National Assembly discusses it, proposes amendments, votes on it and passes it on to the Senate.

The Senate discusses it, proposes amendments, votes on it and then negotiates with the Assembly which can accept or refuse the Senate's amendments, and then conducts a final vote.

This is how most budgets have been passed in the Fifth Republic: 58 budgets over the 68 years since 1958 – simply because most of the time, governments had stable majorities.

Both the budget bill and the social security budget bill can be passed via this procedure.

Article 49.3 of the Constitution

Article 49.3 allows the government to pass the budget bills (general budget and social security) without a vote at the National Assembly. The government presents a text (its initial text, or with some amendments from the Assembly and the Senate); if the Assembly votes for a motion of no-confidence (more than 50% of deputies vote against the government), then the government fails and the text is not adopted. If not (no motion or a failed motion), then the government survives and the text is adopted.

Both the budget bill and the social security budget bill can be passed via this procedure. Regarding the budget bill, the government can decide to pass one text after the other, or both at the same time.

Usage of Article 49.3 for the general budget and social security budget bills

- All general and social security budgets since the 2023 fiscal year have been passed using article 49.3 (because the government has not had a clear majority).
- Before that period, article 49.3 had been used for the general budget bill of 1990-93 (because the government had no clear majority).
- In 1960, article 49.3 was used for the general budget bill, because there was a controversy regarding the pension of the veterans: the government wanted to reduce them, but several deputies opposed this.

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- In 1980, the government used article 49.3, because there were dissentions between the two parties of the coalition (the UDF and the RPR).

The only time a government failed after using article 49.3 was on 2 December 2024, when Barnier used article 49.3 to pass the social security budget bill for 2025.

Looking at recent uses of article 49.3

Looking at the different uses of article 49.3 since the 2024 dissolution, the only time the RN and UDR voted in favour of a motion of no confidence from the left was under Barnier. Otherwise, the RN was happy enough with the text to decide not to vote in favour of the left's motion, but put forward its own motion of no confidence.

In contrast, in spite of its opposition to the government, LFI and other parties on the left have never voted in favour of a motion of no confidence put forward by the RN.

Interestingly, the texts proposed by Bayrou for the 2025 budget got the support of both the RN and the PS, not only did the two parties not put forward a motion of no confidence, but they also did not vote for the ones put forward by LFI. One could argue that Bayrou made too many concessions.

Use of article 49.3 since the dissolution

Date	Text	Motion from	LFI	Other Left	PS	RN&UDR	Votes against
		Number of deputies	*70*	*55*	*68*	*138*	*(majority at 289)*
02/12/2024	PLFSS 2025	Left	Against	Against	Against	Against	331
03/02/2025	PLF 2025	LFI	Against	Against			128
03/02/2025	PLFSS 2025 (part 1)	LFI	Against	Against			122
05/02/2025	PLFSS 2025 (part 2)	LFI	Against	Against			115
10/02/2025	PLFSS 2025 (full text)	LFI	Against	Against			121
20/01/2026	PLF 2026 (part 1)	Left	Against	Against	Against		269
		RN				Against	142
23/01/2026	PLF 2026 (part 2)	Left	Against	Against	Against		267
		RN				Against	140
30/01/2026	PLF 2026 (full text)	Left	Against	Against	Against		260
		RN				Against	135

Source: Crédit Agricole CIB

Article 47 of the Constitution (article 40 of the LOLF): ordonnances

This is the nuclear option, as it allows the government to apply its budgets by ordonnances, without a vote (or even a failed motion of no confidence) at the National Assembly.

- Article 47.3 allows the government to apply the general budget bill by ordonnance, if the parliament (Assembly and Senate) has not reached a decision within 70 days.
- Article 47-1.3 allows the government to apply the social security budget bill by ordonnance, if the parliament (Assembly and Senate) has not reached a decision within 50 days.

It is unclear whether the government can still use article 47-1.3 and article 47.3 once the National Assembly has rejected a text: the Constitutional Court has not settled the question (the idea is that even if the Assembly has reached the decision to reject the text, the Parliament as a whole – with the Senate – has not).

This article has never been used; it is considered an extreme option; the government who would use it would likely be called anti-democratic as it overrides the National Assembly. The National Assembly could (very likely) topple the government with a spontaneous motion of no-confidence after that decision, but it would not change the implementation of the budget.

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If the government intends to use this option, it can encourage the deputies in its coalition to filibuster the discussions at the National Assembly and avoid a vote on the texts until the cut-off date.

For the 2025 budget, Barnier's government could have used article 47 for both the general budget bill and the social security budget bill as the texts were not adopted in due time – it decided not to. The same can be said for the general budget bill (only) in 2026 with Lecornu

Emergency procedures (for the budget bill only)

These emergency procedures have been foreseen by article 47.4 of the Constitution and explained in article 45 of the LOLF

If no text is passed at the end of the year, the government cannot raise taxes, and consequently, it cannot repay OATs and pay civil servants at the beginning of the next year.

To avoid this situation, there are two options to allow the government to continue collecting taxes.

Article 45.1 of the LOLF: vote on the first part of the budget

> *[The government] may request the National Assembly, before 11 December of the year preceding the start of the fiscal year, to issue a separate vote on the entirety of Part I of the Finance Act for the year. This partial bill is submitted to the Senate under the accelerated procedure;*

This procedure is simply an acceleration of the process for the first part of the budget bill (the revenue part). Once the revenue part is adopted, then the government avoids a default and can grant credit based on what has been voted in the budget of the year before.

This procedure was used in 1962 (for the 1963 budget): due to the political crisis linked to the presidential election, the budget could not be passed in time; the government adopted only the revenue part of the budget before the end of the year. It was not exactly an application of the LOLF, as the LOLF was adopted in 2001, but the LOLF fixed the process used in 1962.

Article 45.2 of the LOLF: special law

> *If the procedure provided for in 1° [the passing of a partial finance bill] has not been followed or has not succeeded, the Government shall table, before 19 December of the year preceding the start of the fiscal year, before the National Assembly, a special bill authorising it to continue collecting existing taxes until the finance bill for the year is voted. This bill shall be debated under the expedited procedure.*

Under the special law, the government continues collecting taxes, based on the previous year, and grants credits based on the vote of the previous year.

The special law has been used three times: for 1980, because the budget was deemed unconstitutional by the Constitutional court on 24 December 1979[2], in 2024 for 2025, after Barnier was toppled after using article 49.3 for the social security budget bill and in 2025 for the 2026 budget, when Lecornu could not pass the budget in due time after Bayrou was toppled.

Regarding the social security bill

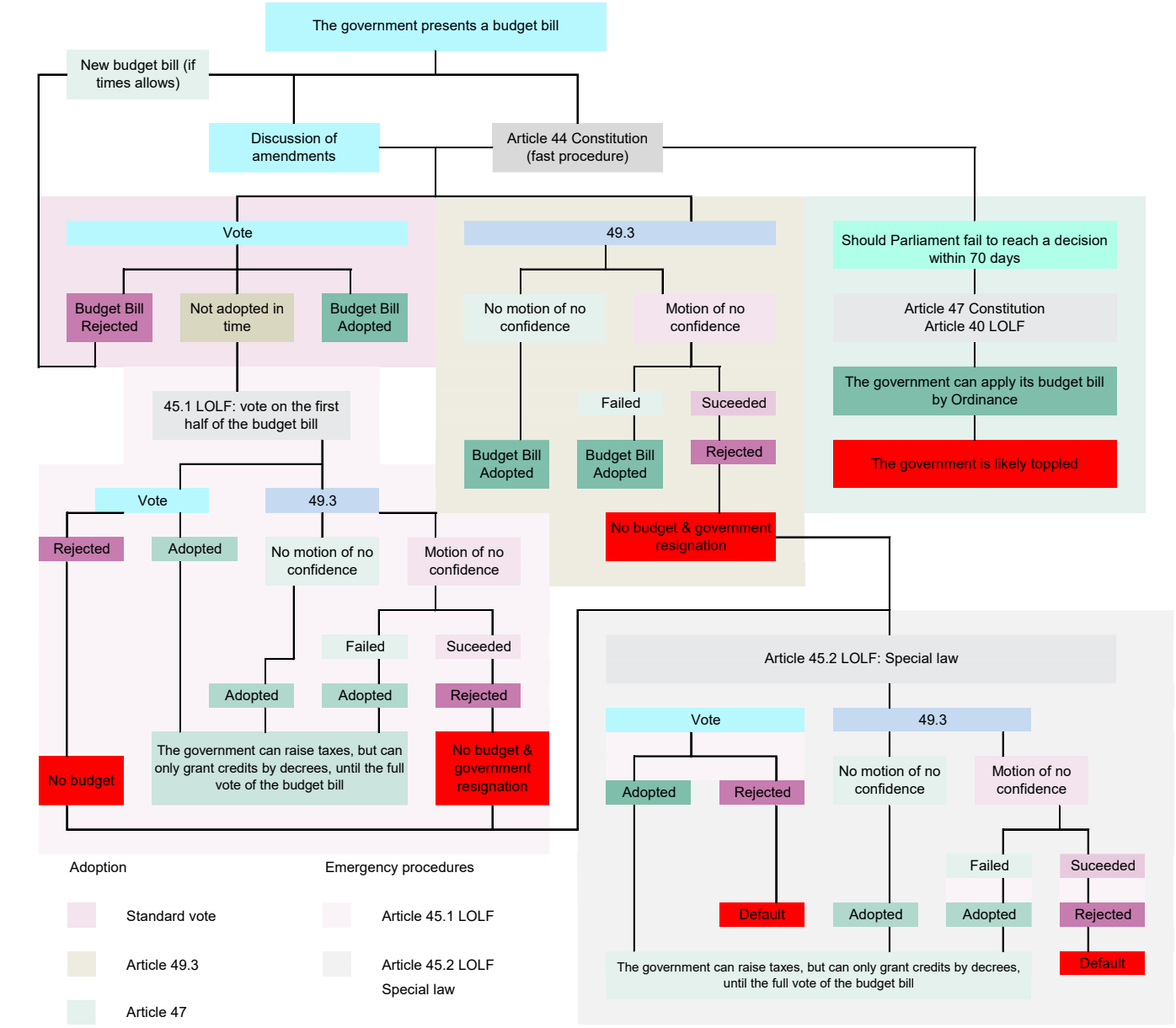
There are no emergency procedures: the absence of a social security bill does not trigger a specific event – contrary to the absence of the budget bill. If there is no social security budget bill, then the social security code applies for social benefits (including pensions and healthcare). Consequently, the absence of a vote on the

[2] *During the parliamentary examination of the 1980 budget, RPR deputies voted down the revenue part (first part) of the budget. At the time, article 40 of the 1959 organic law of public finances (the ancestor of the current LOLF) stated that spending part (second part) could not be debated "before the vote of Part I". Despite this, the Barre government allowed the discussion of detailed spending appropriations to proceed, then forced the whole text through the National Assembly under Article 49.3 (as mentioned above). The government argued that the word "vote" simply meant "mise aux voix" (ie, put to a vote), not "adoption" (ie, actually approved). The Conseil constitutionnel, in its decision n° 79-110 DC of December 24, 1979, firmly rejected this interpretation. It held that "vote" necessarily meant adoption. Therefore, with no valid budget in place for 1 January 1980, Parliament was convened in extraordinary session on 27 December 1979 to pass a special law authorising the continued collection of existing taxes. A new, complete PLF was then passed under Article 49.3 and promulgated on 18 January 1980, making the special law operative for less than three weeks.*

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social security budget bill means that the "unchanged policy" scenario automatically applies for social security.

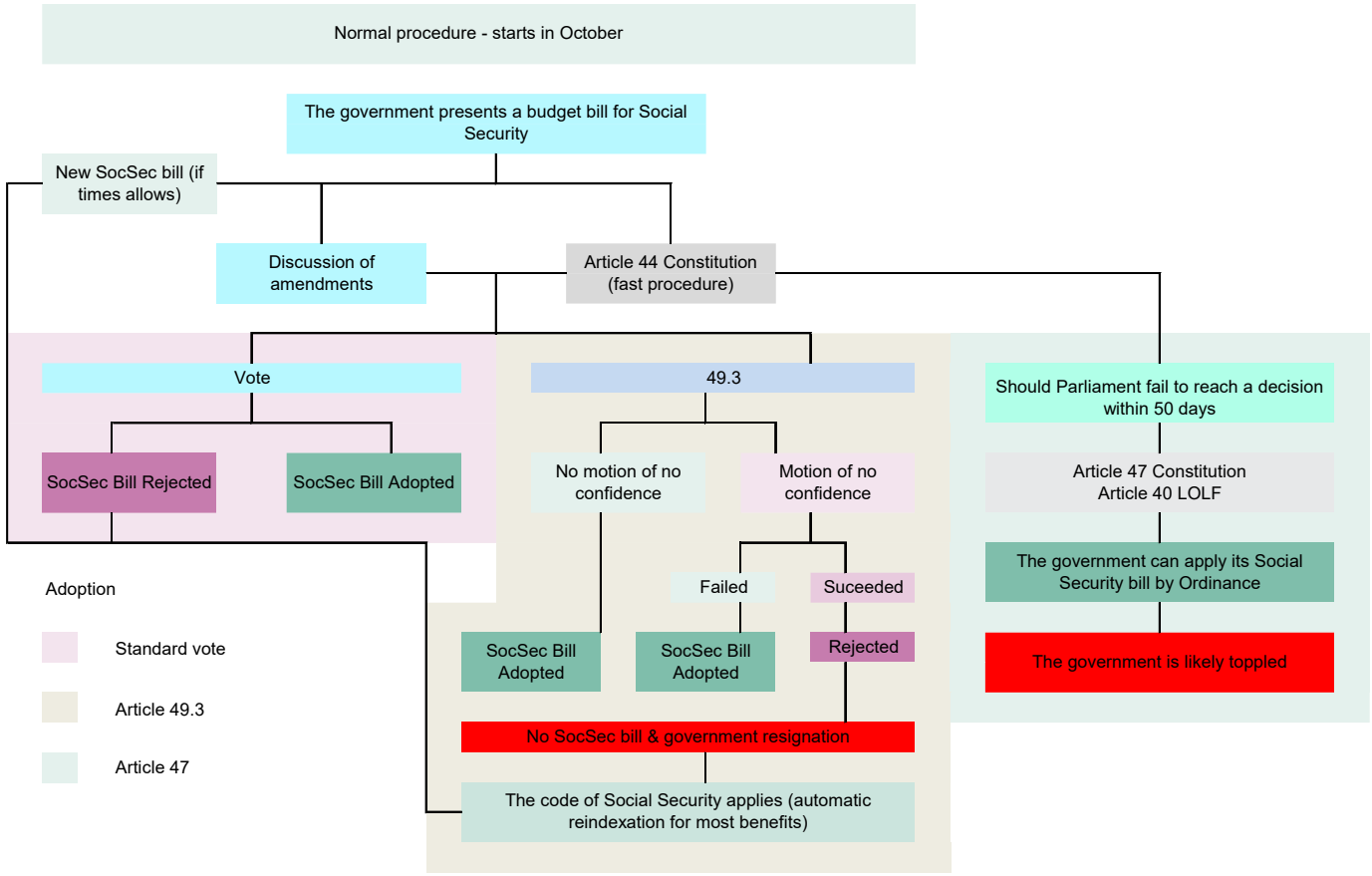
Procedure to pass a budget bill (both texts of the general budget bill)



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How to pass a social security budget bill



Source: Crédit Agricole CIB

Conclusion

As the discussion on the budget has started, Lecornu is likely looking at his options. A full vote at the National Assembly is very unlikely – and it would probably mean that the PM would have to make too many concessions to the opposition.

The most likely possibility to adopt both the general budget bill and the social security budget bill is still the use of Article 49.3 . However, it would require some concessions towards the opposition, and would likely result in a public deficit above 5%.

Marine Le Pen claimed that she would rather have an imperfect budget than no budget at all – and indeed, she has an interest for this budget to pass smoothly to ensure that the presidential campaign is not overshadowed by the budget. At the same time, the question remains about what she is ready to accept in the budget vs what she is claiming in her campaign.

As this has been discussed in the French press, Lecornu could decide to use Article 47: after encouraging his deputies to filibuster the discussions, he would impose his budget (or part of it) using article 47. Albeit very uncertain, this option would allow him to apply a certain level of savings (minimising the concessions to the opposition to survive a no-confidence vote after using article 49.3).

If he uses it, he would possibly be toppled by the opposition; however, we are not even certain that the RN would vote in favour of toppling the government right now, as it would further derail the campaign, without any benefit (as the budget would be passed anyway and Lecornu's successor would be a care-taker Prime Minister, which Lecornu is almost already).

We will discuss this option further (among other ones) in a following document, trying to estimate what level of deficit could be reached under the different options.

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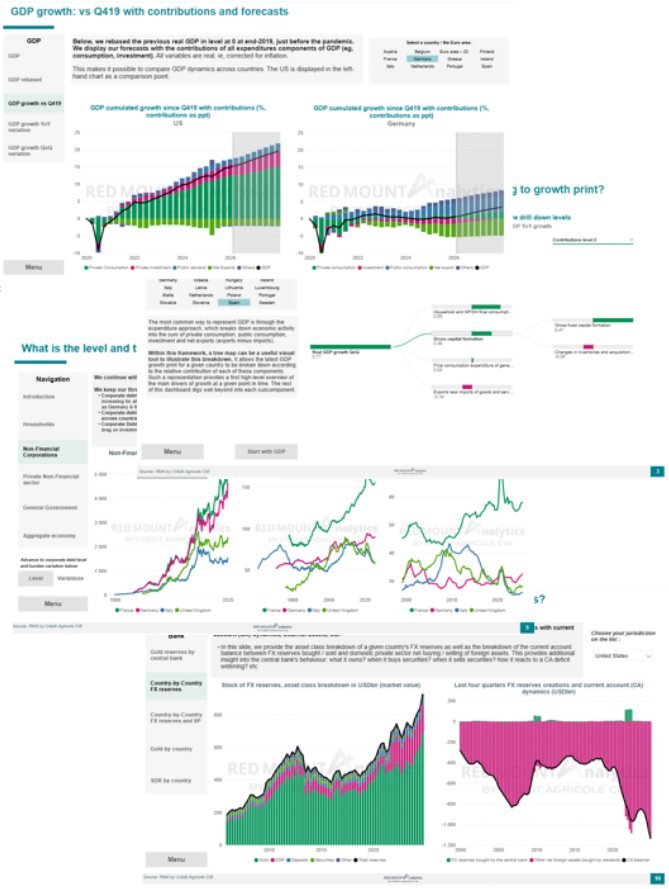
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