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Emmanuel Macron's "New Way"

Setting the Course for Re-election in 2022

Ronja Kempin and Dominik Rehbaum

French President Emmanuel Macron wants to be re-elected in 2022. In view of citizens' disenchantment with the political and social order of their country and the consequences of the Corona pandemic, the president feels compelled to embark on a "new way". This new approach has three components: a move away from the policy of budget consolidation, a political positioning within the neoliberal-conservative faction of the political spectrum, and greater proximity to the people. If Macron receives interim support from the European Union (EU) to cushion the consequences of Covid-19 for France's economic and social system, he should be able to strengthen reform forces at home and enable France to broker compromises on vital subjects concerning EU reform.

In May 2017 Emmanuel Macron was elected to the Elysée Palace because he had promised to transform and reconcile France. Three years later, the president has his back to the wall. The reforms, which were swiftly implemented against widespread opposition, did indeed achieve initial successes: At the beginning of the year, the unemployment rate had fallen to 7.8% (2.3 million unemployed), its lowest level since the outbreak of the financial and debt crisis in 2008/2009; the rise in public debt was also halted. However, President Macron has failed to convince his citizens of the necessity for his policy. Since his election, his presidency has been accompanied by protests and poor poll results. Following the Yellow Vests protests and strikes by the French national railway company SNCF, a general strike against the planned pension

reform paralysed France for weeks in the winter of 2019/2020.

During the Corona crisis, only 29% of French people were satisfied with the initial crisis management of their president. At the end of June, Macron was downright punished: In the local elections, the presidential party, La République en Marche (LREM), won almost none of the mayoralities in the 35,000 municipalities. Macron has not been able to reconcile the population with its political elite through his politics and style of leadership. Three-quarters of French people feel that their country's social order is "unjust". For 79%, politics conjure negative associations; 85% think that politicians in France are not taking care of their concerns. As a result, fewer and fewer people go to the polls. In the presidential elections, the proportion of non-voters rose from 16%



to 25.4% between 2007 and 2017 (in 2017, 11.5% cast an empty or invalid ballot for the first time). Whereas 40% of the population decided not to cast a ballot in the 2007 Parliamentary elections, this number rose to 57.4% in 2017. In the local elections at the end of June 2020, 60% of voters did not take part.

A New Way

Macron reacted to these developments in early July 2020. He reshuffled his government and promised the people a “new way”. In doing so, he is attempting to secure his re-election in spring 2022 while preserving the conditions for the country’s transformation.

Strong State Instead of Reforms

In his first government statement on 15 July 2020, France’s new prime minister, Jean Castex, tried to show how France could recover “from one of the most serious health crises it has ever experienced”: A drastic rise in unemployment should be prevented and the economy should be modernised to bring it out of the crisis.

France has been one of the countries most affected by the pandemic. By the end of August 2020, more than 30,500 people had died from Covid-19, although the toughest lockdown in the EU prevented the virus from spreading uncontrollably. However, the number of new infections is now rising significantly. The 55-day curfew imposed in spring 2020 (from 16 March to 11 May 2020) led to a dramatic collapse of the French economy. In the second quarter of 2020, the country’s economic performance dropped 13.8% from the previous quarter, even coming in below the euro area average (-12.1%). For autumn, the government expects a 20% increase in corporate insolvencies: 60,000 companies are about to go out of business. The consequences for the labour market are dramatic: In April, 10.8 million people – almost a third of the 30,455 million employed (2019 figure) –

were on short-time work. In September, 800,000 school leavers were coming onto the labour market – most of them with no job prospects. By spring 2021, the government estimates that about 1 million jobs will be lost, and the unemployment rate is predicted to reach 11.5% next year.

The government in Paris is doing everything in its power to mitigate the economic and social consequences of the pandemic. Under Prime Minister Edouard Philippe, it had provided €463 billion in assistance to employees, the self-employed, and businesses – of which €58 billion was in the form of budgetary support and €401 billion in the form of guarantees. The additional financial support of almost €100 billion announced by Prime Minister Castex will continue to finance short-time work, create apprenticeships, and promote vocational training. Strategic industries will receive grants to transfer skills back to France in strategic sectors and reduce dependence on foreign countries. These measures will not be financed through tax increases but with EU money (€50.6 billion from the EU Reconstruction Fund) and a “Covid-19 debt” from the state. The latter will bring France’s public deficit to a record €2,438.5 billion and raise the debt level to more than 121% of GDP. Finally, the president has declared that he still wants to implement the controversial pension reform, but he has had to make considerable concessions.

Macron’s new approach thus places civic and social peace at the centre of his actions. The president wants to counteract a possible social uprising with a “strong state” policy. In return, he is prepared to abandon the budgetary discipline that has shaped his policy for the last three years.

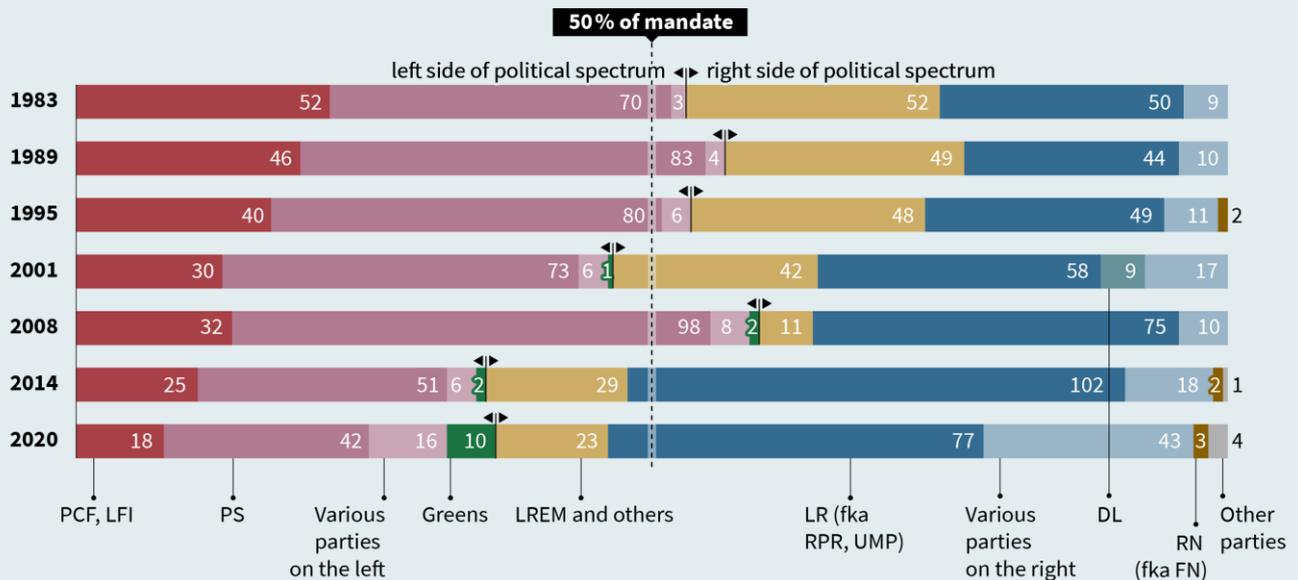
Conservative Course Instead of “*Ni gauche – ni droite*”

To secure another five years in the Elysée Palace, Macron has also turned away from his “neither left nor right” policy on politics. With his new approach, he wants to win over the neoliberal-conservative electorate.

Graph 1

France's increasingly fragmented party landscape

Mandate distribution in 236 municipalities with more than 300,000 inhabitants, 1983–2020



Source: *Le Monde*, 30 June 2020

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So far, Macron has not succeeded in anchoring his political ideas in the public domain. The fact that his party has been almost unable to succeed in the 2020 mayoral contests is a clear indication of this shortcoming. Moreover, there is discord within the president's party: In the National Assembly, more and more members of Parliament are leaving the LREM faction because of internal disputes.

In the 2022 presidential elections, Macron will therefore – as in 2017 – be dependent on the support of others. Whereas in 2017 he found it on both the left and right sides of the political spectrum, his new policy approach is clearly geared towards the neoliberal-conservative faction. The appointment of Castex as the new prime minister and the reshuffling of eight ministers are a sign that Macron is turning to moderate conservatives. He is thus reacting to a shift in the balance of political power that began a good 10 years ago: Every political force that wants to win elections in France depends on votes that come from rural areas and small and medium-sized cities. Large cities are no

longer the deciding factor in elections. Since the 1970s there has been no out-migration from rural areas. If rural communities are close enough to larger centres, they even gain population. In these areas, the electorate of the neoliberal-conservative forces has doubled since 2008 – at the expense of the socialists, whose share of the vote has halved.

The new prime minister's main task is therefore to bring this pool of voters to the president. Castex comes from a rural background and knows well the problems of smaller towns, where people want to preserve their traditions.

Citizen Participation Instead of Disenchantment with Politics

Last but not least, President Macron's new way aims at reducing the level of discontent with the political elite. This dissatisfaction has put an end to the two-party system that has brought stability to the country for more than 40 years. It is increasingly turning elections into a game of *Vabanque*: In the first round of the 2017 presidential elec-

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SWP
Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

Ludwigkirchplatz 3 – 4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

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tions, a good half of those eligible to vote cast their ballots for the parties at the extremes of the political spectrum (both left and right). In 2020, low turnout in the local elections helped the Green Party to succeed in cities with more than 100,000 inhabitants.

This is where the president is taking the greatest risk. To counteract the public's disenchantment with politics, he must relinquish power. The state initially reacted to the Yellow Vests protests with administrative reforms. However, the geographical distribution of public services – health care facilities, access to digital infrastructure, and public services – is still being decided in Paris. The problem is that equal standards of living are being guaranteed to a society and economy that are not very flexible. In mid-June 2020, President Macron said once again that the state needed to be fundamentally reorganised; not everything could be decided in Paris. He has now given his new government the task of negotiating the transfer of powers with regional representatives and modernising public administration.

Following the protests of the Yellow Vests, Macron finally opted for more citizen participation – assemblies, and also the extended possibility of referenda – but without any binding or direct influence on decision-making processes. The low turnout in the 2020 local elections seems to have prompted Macron to give more say to the citizens' assemblies. The day after these elections, he decided that the National Assembly should turn 147 of the 150 proposals of the "Citizens' Convention on Climate" into legislative proposals. Since 4 October 2019, 150 randomly selected citizens had drawn up proposals for a "profound change in society" to counteract climate change. The fact that these proposals are now to become law is a step in the direction of the democratisation of France. With this step, however, the president is also trying to make an offer to those voters he recently lost to the

Greens. The Green electorate in 2020 is almost identical to the one that voted for Macron in 2017: urban, young, educated, well-paid, and pro-European. But above all, they want a more cosmopolitan France.

Transformation Remains the Goal

If this plan works out, Marine Le Pen is likely to be marginalised. Strengthening reform-minded forces would put an end to the infighting between her and Macron, and it would enable social reconciliation and political transformation in France beyond 2022.

Macron's new approach would therefore also be good for Germany and the EU. In order to keep the political extremes in France at bay, President Macron has repeatedly been forced in the past to abandon Franco-German relations and to criticise Germany's EU policy unusually harshly. In order to give the impression that France counts in the world, he even undermined Berlin in foreign policy. A greater domestic scope for reform should bring France's president back to the centre of Europe. The German government should encourage Macron's efforts, intensify the Franco-German compromise process and, together with Macron, lead the EU out of its crisis. In doing so, it would also counteract Germany's dwindling influence in Brussels.

*Dr Ronja Kempin is Senior Fellow in the EU/Europe Division.
Dominik Rehbaum is student assistant in the EU/Europe Division.*