
A (Temporary) Reprieve for Europe



By Douglas Webber , INSEAD Professor of Political Science

Macron's probable victory gives the EU a chance to recover from recent shocks but will he be able to "turn around" France?

Barring unforeseen events, France's next president will be a young centrist, Emmanuel Macron, who founded his own political movement only a year ago and has never previously held an elected office.

His election will be only the most recent in a chain of events that together will have transformed the political landscape of France. First, in just a few months, France has peacefully thrown out almost all the leading figures of its (former) political class. Incumbent President François Hollande was so irreparably unpopular that he was forced not to seek a second term. The primary elections for the candidate of the mainstream conservative party, The Republicans, eliminated the immediate past president, Nicolas Sarkozy, and former Prime Minister Alain Juppé, while those of the Socialist Party disposed of Hollande's former Prime Minister Manuel Valls. The first round of the presidential elections has now delivered the *coup de grâce* to the last survivor of the established political class, Sarkozy's former prime minister, the scandal-ridden François Fillon, who, late last year, looked as if he had

only to remain on his feet to succeed Hollande as president.

Second, for the first time in the almost 60-year history of the Fifth Republic and a powerful testimony to the extent of popular rejection of the French political establishment, neither the mainstream Left or mainstream Right will have a candidate in the second round of the presidential elections. France has followed the precedent set in Austria in its presidential election last year. The old social-class-based, Left-Right political cleavage has, temporarily at least, been displaced by one between a nationalist, economically and culturally closed, authoritarian France, for which Macron's second-round opponent, Marine Le Pen, stands and an internationalist, economically and culturally open, liberal France, which the younger, former private banker Macron incarnates. On the one side, struggling, pessimistic, small-town and semi-urban France; on the other, the France that is 'winning' and optimistic, especially well-represented in the big, globally connected cities.

Re-energising a partnership

No candidate in the election fought on such an unabashedly pro-European platform as Macron. His imminent victory – polls suggest that he should secure no less than 60 percent of the second-round vote – should make it politically feasible for the European Union to pursue more offensive, 'pro-integrationist' strategies to combat the Eurozone, refugee and other current crises. Especially if Social Democratic candidate for Chancellor Martin Schulz wins the German election in September, the Franco-German tandem that is indispensable for any effective crisis management in the EU could be re-energised. Even if Germans re-elect Angela Merkel for a fourth term, the tandem may develop more momentum than in the last decade, during which, owing to domestic financial and political constraints, neither Sarkozy nor Hollande were able to emulate the role played in this tandem by French presidents such as Valéry Giscard d'Estaing in the 1970s and François Mitterrand in the 1980s and early 1990s.

But Macron can only play this role and establish an equal partnership with Germany if he turns around the economic and social fortunes of France. Since the Global Financial Crisis of 2007-2008, the economic disparities between France and Germany have widened. The most striking manifestation of France's economic ills is the rate of unemployment, which, at almost 10 percent, is twice that of Germany, the United Kingdom and the United States and which rises to nearly a quarter of French 18- to 25-year-

olds. But its public debt has also been rising faster than that of its neighbour across the Rhine.

More of the same?

Paradoxically, after a campaign in which, to mollify a profoundly unhappy electorate, virtually all candidates had to sound as if they were running against the 'system' or the 'establishment', it looks as if France will choose, in Macron, the candidate who promises more continuity with the policies of the previous government than any other. Unsurprisingly perhaps, given that Macron was secretary-general of the presidential office, Hollande's closest adviser, for two years and then Minister for the Economy for two more years. In these functions, Macron shared responsibility for the 'business-friendly' U-turn in economic policy – before finally deciding to mount his own political movement and presidential bid out of alleged frustration at the obstacles he faced trying to reform the French economy more radically and rapidly.

Macron's 'project' for France is broadly social-liberal (as was, in practice, Hollande's). He aspires to loosen business regulations and restrictions, but without curtailing employees' rights or existing levels of collective social welfare provision. He intends to comply with Eurozone fiscal rules limiting the government budget deficit, but at the same time to increase public spending in some areas and reduce a range of taxes and social insurance charges on firms and their employees. He has said little about the 60 billion euro of government spending cuts that would be necessary to reconcile these conflicting objectives.

Allies in the *Assemblée*

It is conceivable that, once in office, Macron will try to be a bolder market-oriented reformer than his project betrays, fearing that otherwise his presidency may be destined to end in failure like Hollande's. However, his room for political manoeuvre after parliamentary elections in June may prove very limited.

Macron's political movement, *En Marche!* (On the Move!), will field candidates in all parliamentary districts, but currently has no representation in the *Assemblée nationale*. Macron has pledged that half of his candidates will be members of 'civil society' with no previous party-political parliamentary experience. It is highly unlikely that, starting from scratch, he will win a majority of seats in the *Assemblée*. Otherwise, to form a

government backed by the parliamentary majority he'll need if he is not to be hobbled as president, Macron will have to win over *députés* from the ranks of moderates from the Socialist Party and/or moderates from conservative The Republicans. Such a majority is unlikely to prove very stable or robust, especially if, after an initial 'honeymoon' period, the public is disappointed by the results of his economic policy and the incentive for *députés* to support him correspondingly diminishes.

If not only the Right and the Left but also the Centre are deemed to have failed the French, where might they turn next? Marine Le Pen will almost certainly fail in her presidential bid this time. If Macron's presidency fails, she or another candidate of the *Front National* will have a much better chance of victory in 2022. In this case, the reprieve for France and Europe secured by Macron's ascension to the presidency may prove to have been only temporary.

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