

France: Against Macron, the left gathers for the legislative elections

In France, the left-wing parties are trying to come together to present themselves as a bloc in the legislative elections. Their goal is to obtain a majority in order to form an alliance between Emmanuel Macron and Jean-Luc Mélenchon as prime minister. A possible outcome, but unlikely



Left-wing leader Jean-Luc Mélenchon is trying to gather all the parties behind him

Forming alliances

After Emmanuel Macron's victory in the presidential election, attention is now focused on the legislative elections on 12 and 19 June. The challenge for Macron is to obtain a majority in the National Assembly to have a free hand to implement his programme.

Predicting the outcome of these elections is difficult because of the electoral rules, which encourage playing strategically by forming alliances. Candidates can win a mandate in one of the 577 constituencies, either directly in the first round if they obtain a majority of the votes and at least 25% of the eligible voters, or in the second round, in which candidates who obtained at least 12.5% of the eligible voters in the first round participate. The risks for the candidates are low turnout and many politically close candidates who could take votes away from them. The different parties have therefore started negotiations to form party coalitions and present only one

candidate from the coalition in each constituency.

On the far right, there is a willingness for Eric Zemmour to form an alliance with Marine Le Pen's party, without any result at the moment. In the centre, there are discussions between the different parties belonging to the presidential majority. Although some tensions have appeared, this should not prevent them from forming a united group in the National Assembly.

The action is predominantly on the left. Coming in third place in the presidential election with 22% of the votes obtained, Mélenchon (extreme left) is trying to rally all the parties around him. Under the slogan "Jean-Luc Mélenchon, prime minister", he hopes to obtain a parliamentary majority, which would force Macron to appoint a prime minister from his group. He has concluded an agreement with the Green Party and the Communists. Unimaginable only a few weeks ago, an agreement was also reached with the Socialist Party (PS), a heavy loser in the presidential elections but formerly one of the two big parties in France with still many local elected officials. But this agreement still needs to be validated by the members. And the internal rebellion within the PS is intense, which will probably lead to a break-up of the party. Some of the more extreme aspects of Mélenchon's programme, notably his willingness to disobey some EU rules, including on budgets and competition issues, are not acceptable to a part of the PS, particularly former ministers.

An alliance on the left will benefit Mélenchon and his party, but also Macron, who could benefit from a split within the Socialists and a flight of more moderate voters to the president's majority.

The most likely outcome is still a presidential majority

Is a victory for the left and a period of "cohabitation" between Macron and a left-wing government likely? As long as all alliances have not been formed, it is difficult to say. As in the presidential election, a significant proportion of voters are likely to vote against a candidate rather than for him. As a result, a left-wing parliamentary majority is possible but less likely than a majority for the president.

In any case, political developments on the left are likely to influence the beginning of Macron's mandate, notably with the question of pension reform. Macron's proposal for a retirement age of 65 unites the opposition on the left. In an attempt to limit the opposition of moderate left-wing voters, Macron is considering appointing a prime minister with left-wing affinities (for example, a former member of the Socialist Party) to lead his government in the final weeks before the election. Moreover, he has already promised adjustments to his pension reform project. However, in order to keep his right-wing electorate, he cannot drop the project, particularly as he will need it to finance his electoral programme. Even with a parliamentary majority, Macron will have to navigate carefully to put in place his reform agenda, as the economic backdrop remains complicated with [growth stagnating](#) and [record-high inflation weighing](#) on the purchasing power of households.

Should Macron fail to gain a majority and be forced to form an alliance with a prime minister from another political family, the chances of seeing structural reform in France are clearly much smaller.

Author

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.