

## France: opening the next chapter

French Prime Minister Édouard Philippe stepped down this morning. It seems President Emmanuel Macron has decided that no one symbolises the last two years of his Presidency better than he, himself. Philippe's replacement, Jean Castex, indeed represents none of the main axes expected from Macron's policies. He will however act as a "territorial anchor"



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In France, PM Édouard Philippe stepped down this morning at the height of his popularity (a 43% approval rating in the last opinion polls) after three years spent leading an impressive set of reforms initiated by President Macron: education, institutional, railway services and fiscal reforms. He also conducted no less than three labour market reforms. The reform agenda was nevertheless interrupted by the "yellow vest" crisis at the end of 2018 and was only just resuming when Covid-19 hit Europe.

The second part of President Macron's mandate needed someone to embody the "reconstructions" that he said this week he wants to implement in his remaining two years before the next presidential elections. These are social (since the national "Grand Debat" initiative that ended the "yellow vest" crisis), ecological (a citizen convention gave its conclusion on the way

forward for ecological transition two weeks ago) and economic (as the Covid epidemic will lead to the worst GDP contraction since WW2) reconstructions. For this, look no further than Macron himself.

Indeed, the newly appointed PM Castex represents none of these policy axes. Although he has had senior roles in the past, notably as President Sarkozy's Elysée Secretary General, he appeared to a larger public only recently when in charge of unlocking the French economy after the Covid lockdown. An operation that has been judged successful so far. Castex's role, instead, will be that of a "territorial anchor". Castex is a well-known local figure in South-Western France and has a deep knowledge of the decentralised state apparatus which will be necessary for Macron's "reconstructions" success. Today's choice therefore is a choice of continuity. However, it also opens a pre-campaigning period for President Macron that could prove to be difficult as he will be politically more exposed than with Philippe as PM. Being less overshadowed will come at a price...