

Landslide victory for President Macron

He did it. President Macron succeeded in transforming the French political landscape, wiping traditional political parties from the political map.



Source: Shutterstock

It was unthinkable some months ago, but he did it. Recently elected President Macron won a two-third majority at the Assembly in the second round of the legislative elections. His party, which is less than one year old, LREM won 319 seats out of 577 and its coalition partner, the centrist MODEM party won 42 seats (from 2 in the previous Assembly). The election is a blow to the Socialist Party (SP), whose candidate arrived in fourth position in the Presidential election and which held the majority at the Assembly with 295 seats during President Hollande's mandate.

The SP ends up with an historical low of 32 seats (to which various left-wing parties gathering 16 seats can be added), of which several deputies campaigned on the support to LREM, like former PM Valls who was elected in his circumscription (by a very thin margin of 50.3%). It also seems that the threat of having a strong opposition from extreme parties has evaporated since the Presidential elections, with both the extreme left and right having difficulties uniting after the presidential defeat: the extreme left won 26 seats on Sunday (against 10 in the previous Assembly) and Mrs Le Pen's National Front won only 8 (against 3 in the previous Assembly), a figure still to be confirmed.

319

Number of seats won by Macron's party

The real question for Mr Macron on Sunday was the resistance of the traditional right (LR) in their traditional election territories. Would the participation have been higher (abstention reached 52% in the first round and 56.6% on Sunday) in the second round, it could have increased the chance for LR to constitute a real opposition in Parliament. However, with a mere 126 seats, the traditional right now rather looks in disarray.

We expect him to begin with the least popular reforms in the next 100 days to show Europe that France is back.

A new period is therefore now open for France, with a lot of inexperienced MP's coming from the civil society. A strong Parliamentary support will be useful for Mr Macron's Government (which should not be reshuffled too much as the 6 Ministers that were running for the election were all elected in their own circumscription) reform intentions. However, with a record low voter turnout, the mandate for reform is not extremely strong for Mr Macron who could hence endure strong civil opposition, especially to his labour and pension reforms.

We expect him to begin with the least popular reforms in the next 100 days to show Europe that France is back. This should continue to support business confidence and help GDP growth to accelerate in the second half of the year to reach 1.7% in 2018 after a still weak (1.3%) 2017. Given the results of the extreme parties in the Presidential election, as he stated for himself in his election speech, President Macron "has no right to fail".