Michel Barnier appointed French Prime Minister

Almost two months after the French parliamentary elections, Emmanuel Macron has finally chosen Michel Barnier (from the right-wing party Les Républicains) as Prime Minister. Michel Barnier must now form a government, avoid a motion of censure, and get to work on drawing up a budget against a backdrop of deteriorating public finances

Michel Barnier

Michel Barnier chosen to avoid immediate censure

Since the early parliamentary elections in June, Emmanuel Macron had been looking for a Prime Minister who could avoid a motion of censure, despite a very divided Parliament where the absolute majority needed to pass a motion of censure can be quickly achieved if the left and far-right parties vote together. After two weeks of consultations, Macron finally opted for a right-wing Prime Minister, Michel Barnier. This comes after unsuccessfully testing several other names: Xavier Bertrand, Bernard Cazeneuve and Thierry Beaudet, the President of the Economic, Social and Environmental Council.

The former was promised a motion of censure by the left-wing front of the Nouveau Front

Populaire (NFP) and the Rassemblement National (RN), and the second failed to win the support of the Socialist Party (PS), which hung on to the other left-wing parties. The third candidate was rejected by most parties, including Macron's supporters.

Michel Barnier can, of course, count on the support of the 44 MPs in his Les Républicains party and should, for the time being, be able to avoid a motion of censure voted by the far-right RN (123 deputies). Marine Le Pen has indicated that her party will make its judgement depending on the general policy statement. In forming his government, he will nonetheless have to convince the left wing of Macron's supporters, who have not received the news well.

If the choice of government ministers allay the fears of Macron's most left-wing supporters and discourages the RN from voting a motion of censure, Barnier should succeed in forming a government despite the very clear opposition of the various parties on the left, including the PS and La France Insoumise (LFI), who together account for 193 of the 577 deputies.

What's next looks just as complicated

If Michel Barnier's government is indeed installed, it will have to get to work very quickly on drawing up the 2025 budget. Under the French Constitution, the government must present its budget to the High Council for Public Finance by 15 September. It must then be submitted to the National Assembly before 1 October, when parliamentarians have 70 days to vote on the budget bill. Not only will the new government have just ten days to draw up the budget, but it will also have to ensure that it's adopted, which is far from a given in the new tripartite assembly. If there is no majority, the French Constitution allows for the government to bypass parliament and impose its budget under article 49.3 of the French Constitution, but this would lead to a further threat of a motion of censure.

The new government is yet to be formed and will, therefore, be hanging by a thread, especially as the budget will be particularly difficult to pass in the current context of deteriorating public finances. While the deficit slipped to 5.5% of GDP in 2023, Treasury estimates indicate that the deficit is likely to drift up again, first to 5.6% this year (against 5.1% expected), then to 6.2% next year if no corrective measures are taken, 6.7% in 2026 and 6.5% in 2027. This clearly indicates the scale of the work required to achieve the 3% target for 2027 that France promised its European partners. This target would require savings of 110 billion euros by 2027, an effort never made before in France.

In short, what's next for Michel Barnier looks set to be complicated, and he'll need all his negotiating experience to form both a government and pass a budget that has a chance of surviving. Further political instability in France cannot be ruled out, and no major economic reforms are likely to take place in the coming months.

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