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With Macron, Europe Takes a Breather From Populism

Even if Macron-supporting candidates manage to win the legislative election, many of his reforms, such as further liberalizing some areas of the French economy, reducing the number of workers in the public sector, or making labor legislation more flexible, will be met with resistance by different elements of French society. Macron's predecessors, conservative Nicolas Sarkozy and Socialist Francois Hollande, both controlled a majority in the National Assembly but had to focus their presidencies on a handful of reforms that were opposed by different social sectors and, in some cases, even members of their own parties.

The first round of the presidential election on April 23 showed that the French are almost evenly split between those that would defend protectionism and seek greater state intervention in the economy, and those that would reduce the size of the public sector and make the French economy more open. Macron presented himself as a centrist that offered the best of both worlds, but this position may be hard to sustain once he starts governing.

Moreover, the electorate is becoming increasingly impatient. Voter exhaustion with the country's mainstream political parties are what caused the center-right Republicans and the center-left Socialists to be eliminated in the first round. Macron and Le Pen made it to the second round in part because they presented themselves as political outsiders. Even then, they failed to generate significant enthusiasm in an apathetic electorate, as turnout for the second round was the lowest in almost 50 years. So, Macron can expect a short honeymoon period, as have recent French presidents. It only took Hollande a few months after his presidential victory to reach record low levels of popularity, for example.

Macron's victory also means that the eurozone will live to see another day. While many of Le Pen's most extreme proposals (such as holding a referendum on France's eurozone membership) would've been difficult to implement to begin with, her victory would have put France on a collision course with Germany and opened the door for the unraveling of the currency area. Unlike Le Pen, Macron will put a strong Franco-German alliance at the heart of his foreign policy.

Paris and Berlin will try their best to keep their co-leadership of the European Union alive, but their fundamental differences will still create issues. Germany will continue to insist on fiscal discipline, radiate concern about high levels of debt in the eurozone, and warn of the moral

hazards associated with bailing out countries in Southern Europe. France, in turn, will favor fiscal stimulus in times of crisis, defend the need for a cheap euro to protect European exports, and push for a more political management of the eurozone, contrary to Germany's preference for a more technocratic approach.

Many of these differences are not connected to party politics, but reflect each country's national interests. They were present when the Maastricht treaty was signed 25 years ago, and became very visible when the European economic crisis began almost a decade ago. Considering that that crisis is not fully over — after all, Greece is still in a bailout program and may need new help in the future, and Italy is still dealing with high levels of public debt and a fragile banking sector — there will still be room for disagreements between the two largest economies in Europe. The prospects for further Franco-German cooperation are much better under a Macron presidency than they would have been under a Le Pen presidency. Still, structural differences between the two countries will persist.