

FRANCE: A lame duck Macron presidency is the main risk

- The coalition of parties supporting President Emmanuel Macron (Together), and the left-wing New Ecologic and Social People's Union (NUPES) led by radical-left politician Jean-Luc Melenchon both obtained around 25.5% of the vote in the first round of the legislative election that took place on 12 June.
- While forecasting the final number of seats is hard given the two-round electoral system, the left-wing NUPES coalition looks unlikely to get enough MPs to force Macron into a cohabitation.
- However, it is not a given that the president will obtain an absolute majority after the second round on 19 June; a short relative majority for Macron would increase the uncertainty surrounding the approval of legislation and increase the risk of gridlock.

Despite its good performance, the coalition of parties led by Jean-Luc Melenchon remains unlikely to win an absolute majority in the 577-seat National Assembly (AN). The seat projections by several polling institutes give the NUPES alliance between 150 and 200 seats, far from the 289 MPs needed to obtain an absolute majority.

To reach such a figure, NUPES candidates would have to draw a significant number of voters from other sides of the political spectrum across multiple constituencies in the second round. However, this seems unlikely to materialize. According to opinion polls, the only individuals that might opt for supporting NUPES candidates are around half of National Rally (RN) voters. Moreover, the left-wing alliance will have to contend with the risk of conservative voters mobilizing against Melenchon. In this regard, the pro-Macron parties will continue this week to warn voters about the “economic perils” of a Melenchon premiership, a strategy designed to mobilize older individuals who tend to be more receptive to this messaging than younger cohorts.

While the worst-case scenario for markets is thus unlikely to materialize, it is unclear whether Macron will be able to obtain a majority after the second round. The seat projections that have been published following the first round give the pro-Macron Together coalition between 255 and 300 seats. In any case, these forecasts should be taken with a pinch of salt, as in 2017 they overestimated the number of MPs obtained by pro-Macron parties. Below are the three potential scenarios that could emerge after 19 June:

- Macron gets a plurality of seats (45% probability): If pro-Macron parties fail to obtain an absolute majority (289 seats), the president will have to rely on MPs from other groups to pass legislation in parliament. The main candidates to support the government would be the center-right deputies from The Republicans (LR), which are expected to get between 50 and 65 seats.

This scenario would have different ramifications depending on the number of MPs needed by the government to approve laws. If Macron were to need a small number of deputies, he could also rely on the occasional support of some center-left deputies not attached to the NUPES. In contrast, if passing legislation required the backing of many LR deputies, this would give the center-right party more influence on government policy. While it is unlikely that Macron would decide to forge a formal alliance with LR, the center-right party could try to exercise its parliamentary influence by demanding a change of prime minister. In such a situation, a center-right figure like current Economy Minister Bruno Le Maire could be well placed to become the new premier.

The main risk from a short pro-Macron parliamentary majority would be gridlock and policy uncertainty. The president could still use mechanisms such as article 49 of the constitution to tie the approval of laws to a motion of confidence on the government or his prerogative to dissolve the AN to try to obtain a new majority. Still, parties would have an incentive to make the government's life difficult, especially in the second half of the presidency as the main political figures start positioning themselves ahead of the 2027 presidential election.

- **Macron gets an absolute majority (45% probability):** In this scenario, pro-Macron parties would obtain more than 289 seats. As previously explained, the main issue to watch in this scenario would be the size of the majority and the potential defections from the ruling coalition during the legislative term. In any case, the government would probably be able to rely on the punctual support of deputies from other parties to pass legislation, provided that Macron could keep the number of defections to a minimum. Another factor to monitor would be the behavior of the MPs from the party of Prime Minister Edouard Philippe, Horizons. Philippe has clear presidential ambitions, and he could use his parliamentary group to gain notoriety ahead of the 2027 election by taking a different line from that of the government on certain issues.

- **Melenchon elected prime minister (10% probability):** Such a scenario would materialize if NUPES candidates were to obtain 289 MPs or if the left-wing alliance was to win a large plurality that would allow Melenchon to be elected prime minister with the help of other parties. However, Melenchon's ability to receive the backing from many non-NUPES MPs in a plurality situation would be limited, as it is unlikely that groups such as the radical right RN of Marine Le Pen – expected to get between 20 and 45 MPs – would support him.

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