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SPOTLIGHT

Barnier's Government Collapses in No-Confidence Vote

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On 4 December, the government of French Prime Minister Michel Barnier collapsed by a motion of censure that passed with votes from both the left and extreme right MPs. Building a stable governing coalition in the National Assembly (NA) is now impossible, making the possibility of another early parliamentary election next summer increasingly likely. The collapse of the government creates uncertainty in the French political scene, diminishes France's economic credibility, and reduces its influence at the European level.

What were the reasons behind the government's collapse?

After several weeks of parliamentary discussions on the budget, the minority Barnier government set the votes for the 2025 budget package to occur in December. The first of these concerned the Social Security Financing Bill (PLFSS), which faced opposition from both the left and the far-right. Due to the lack of an absolute majority in parliament, Barnier chose to pass the bill without a vote, using a procedure outlined in Article 49(3) of the Constitution. However, this decision carries the risk of a motion of censure against the government by members of parliament. The opposition tabled two motions: one initiated by the far-left party, La France Insoumise (LFI), which received support from all the groups within the left-wing New Popular Front (NFP); the other was put forward by the far-right National Rally (RN). The first proposal received support from 331 MPs, significantly exceeding the required minimum of 288 votes. If President Emmanuel Macron postpones the appointment of a new prime minister, the Barnier government will handle daily operations until that time to ensure continuity of the state and its services.

Why did both the left and far-right support the proposal?

Nearly all left-wing MPs supported the motion to dissolve the government, believing that the prime minister had not engaged with left-wing groups at any point during the budget process. They criticised Barnier's austerity policies, particularly the cuts to health spending, asserting that the proposed budget would primarily impact the poorest and middle class. Barnier aimed to negotiate with the far-right, believing that the left's demands, particularly significant tax increases, conflict with those of the ruling Republicans. Marine Le Pen, initially cautious about threatening to topple the government, started indicating in November that her party might support a motion of no-confidence. Le Pen argued that she is defending the interests of the French people and criticised the prime minister for not incorporating her demands into the budget. However, Barnier agreed to some of her proposals, including the decision to abandon an increase in electricity taxes. The RN also rejected, among other things, the abandonment of pension value and the reduction of reimbursements for certain medications. It sought greater savings by reducing medical aid for irregular immigrants, cutting development aid, and decreasing France's contribution to the EU budget.

What are the budget implications of the parliament's decision?

It is unlikely that parliament will approve a new budget for 2025 by the end of the year. In this situation, the government, under Article 47(4) of the Constitution, shall as a matter of urgency ask parliament for authorisation to collect taxes and shall make available by decree the funds needed to meet commitments already voted for. This would allow the state apparatus to operate temporarily based on

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the 2024 budget, ensuring the continuity of public services. If a new prime minister is not appointed soon, the inability to revise the budget will freeze state spending, potentially slowing investment and raising concerns of financial markets. France has pledged to reduce its public deficit to 5% of GDP by 2025, down from the expected 6.1% this year, following the excessive deficit procedure imposed by the European Commission. The RN has indicated support for renewing the 2024 budget until a new government is established and a proper budget is created.

What are the next steps for the French government and its role within the EU?

The government's collapse leads to the president appointing the prime minister. The public expects a swift decision from Macron, which would enable him to position himself as a guarantor of institutional stability and enhance his recently limited engagement in domestic politics. The right to select a new prime minister allows Macron the opportunity to appoint someone from his inner circle of trusted allies. Among the leading candidates for the position are the current armed forces minister, Sébastien Lecornu, and the centrist politician François Bayrou. However, if the president delays, it could increase demands for his resignation, as urged by the LFI and cautiously indicated by the RN. Macron himself rules out resigning before his term concludes. A potential resolution to the political situation could be new elections for the National Assembly, but these cannot occur before mid-2025, so one year after the previous dissolution of the NA. The simultaneous French political crisis and the collapse of the ruling coalition in Germany could undermine the EU's ability to address challenges related to European economic competitiveness and broader security.

What will the parties that did not back the Barnier government gain or lose?

For Le Pen, voting to overthrow the government risks reverting her party's image to its past version of an antiestablishment one, potentially alienating the moderate voters she has been aiming to attract. However, instability on the French political scene may distract public attention from the RN's problems, including an ongoing investigation into the embezzlement of EU funds and Le Pen's threatened five-year ban from standing for election. The moderate-left may be more open to working with the parties that formed a Republican front against the far-right in the last general election and opt for a legislative agreement (on issues such as housing, decarbonisation of industry, public services, climate-change adaptation, medical services, the situation of farmers) provided a prime minister is elected who shares the values of the left.