

Navigating through the 2024 French Legislative Elections

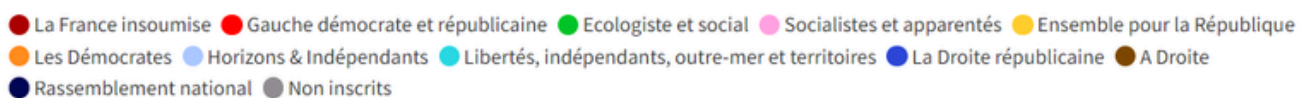
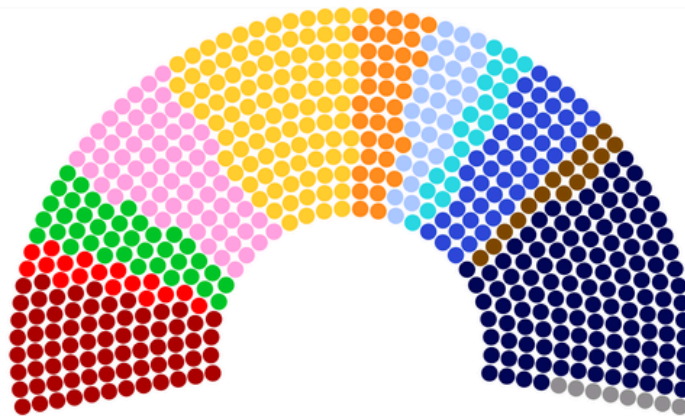


-- Fact sheet as of 29 July --

Background

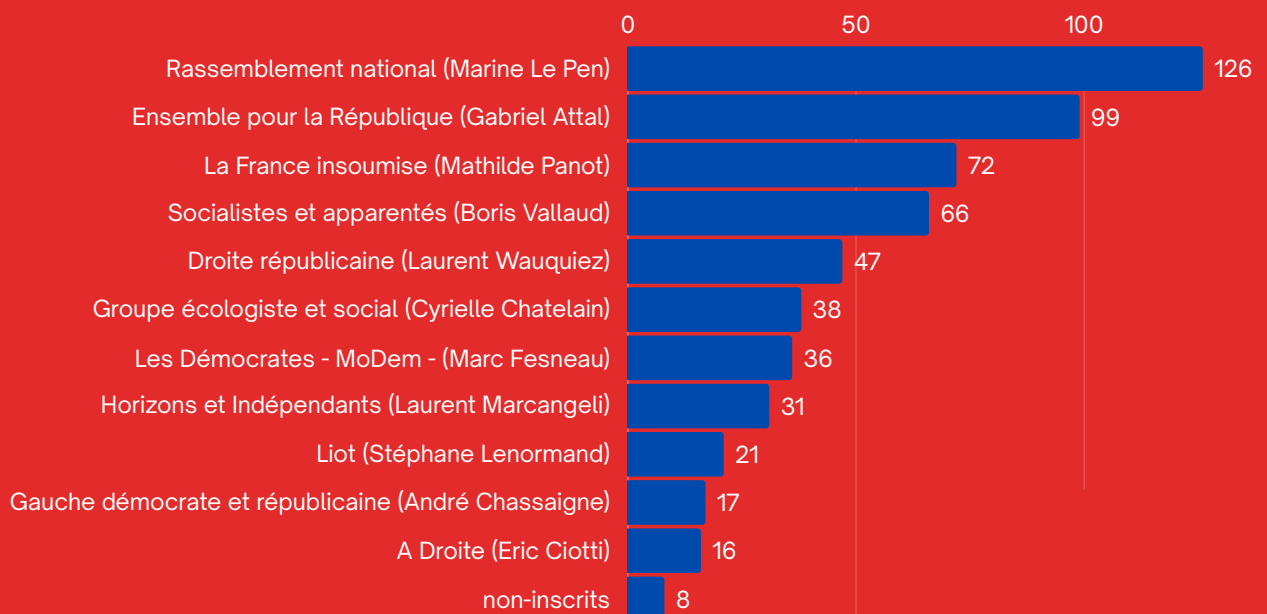
On 30 June and 7 July 2024, France held legislative elections following the dissolution of the National Assembly by President Emmanuel Macron on 9 June, after his *Renew* alliance was defeated in the European Parliamentary elections on the same day. Although no coalition gathered a majority in French Parliament, the left coalition called *Nouveau Front Populaire (NFP)* unexpectedly topped the second round, whilst the *Rassemblement National (RN)* fell short of projections. Parliamentary groups were finalized by 18 July, and Bureau members & permanent Commission presidents elected between 18 and 20 July.

National Assembly composition



Source: LCP Assemblée Nationale

Political Parties' Presidents & number of Deputies



Reminder

Reminder

Political Truce for the Olympics

President Emmanuel Macron has declared a “political truce” to last until mid-August to ease tensions and focus on the Paris 2024 Olympics. Following Prime Minister Gabriel Attal’s resignation on 16 July, the “caretaker” government is kept in place to manage current affairs with limited powers : no acts of political nature can be taken, including the passing of laws, thereby raising the highly strategic question of the Finance bill for 2025.

2025 Budget for France

The French Constitution provides a clear framework and timeline within which the country’s budget has to be voted :

- In September, the draft Finance bill is submitted to the High Council of Public Finances, then to the Council of State (*Conseil d’Etat*), for their consideration.
- Subsequently, the Organic Law on Finance Laws specifies that “*the draft Finance bill for the year (...) is submitted no later than the first Tuesday of October of the year preceding the execution of the budget*”. In other words, the draft Finance bill must be presented at the latest to the National Assembly by **Tuesday, October 1st**.

Under ordinary circumstances, the Finance bill is prepared by the government during the summer in consultation with different administrations. The recent dissolution of the National Assembly abruptly halted the *budgetary conferences* led by the Minister in charge of public accounts. This initial stage of budget negotiation allows to identify points of agreement and disagreement on credits and expenditures; a phase that was frozen with the dissolution.

Considering the timeline and the absence of a clear political majority, Gabriel Attal’s outgoing government is currently working on a draft Finance bill, thereby causing strong criticism among *NFP* and *RN* representatives that challenge its legitimacy. Two diverging interpretations have been put forward : the first considers that a caretaker government does not have the mandate to drive a future budget; the second considers that - in its role to ensure the continuity of the State - it has the mandate to prepare a budget.

In the current conditions, Gabriel Attal’s government is reduced to preparing a **budget “working base”**. Minister of Finance Bruno Le Maire recently stated that this preparatory work was being carried out “*in line with France’s national and European commitments*”: the *Stability Program*, submitted to the European Commission in April, currently serves as a guide, with the goal of reducing the public deficit to 3% by 2027.

State continuity constitutionally ensured

Many uncertainties remain at this stage regarding the 2025 Budget. However, a French-style “**shutdown**” scenario, where the country’s administration is paralyzed due to a political deadlock over the budget, **is not possible in France**.

Article 47 of the Constitution provides that if Parliament does not vote on the budget within a period of seventy days, the government can proceed by way of ordinance. Furthermore, if the Finance bill cannot be adopted within the allotted timeframe (i.e., before December 31), the government can ask Parliament to pass a special law to levy taxes and ensure the continuity of the State.

No new Prime Minister chosen yet

After 2 weeks of negotiations, the *Nouveau Front Populaire (NFP)* coalition, composed of four parties (*La France Insoumise*, Socialists, Greens & Communists), has finally nominated **Ms. Lucie Castets**, Finance Director at the Paris City Hall, as its Prime Minister candidate.

Lucie Castets is unknown to the general public and was said to be appointed due to her background in fighting financial crime and tax evasion, and her battle against the pension reform passed in 2023.

However, *Article 8* of the French Constitution provides that only the President has the power to appoint a Prime Minister with **no legal obligation to designate someone from the dominant group** (coalition) at the National Assembly, and **within no specific deadline**.

Until now, the President used to appoint a Prime Minister from the largest group at the National Assembly in order to avoid his government from being knocked down by the Assembly through a “motion of no confidence”. The latter aims at toppling a government & requires the signature of 1/10th of the Assembly’s total membership (58 members) and the adoption by an absolute majority (289 members).

In the current scenario, however, considering no group has managed to gather an absolute majority, President Emmanuel Macron has more leeway, despite political pressure.

Key takeaways as of 29 July

- **A clear political majority remains unfound.** Despite the tradition (Prime Minister named from the biggest coalition - today the *Nouveau Front Populaire*) and given the high number of votes received by other political parties and the strong polarization among the “three blocs”, there is no certainty that the future Prime Minister will be the one designated by *NFP* (Ms. Lucie Castets).
- Other heads of political groups at the National Assembly are trying to form coalitions to make propositions that could bring solutions to the current deadlock. This includes a “**recovery in 13 laws**” project presented on 22 July by Laurent Wauquiez and Bruno Retailleau (*Droite républicaine*), gathering right-wing deputies. The project focuses, *inter alia*, on security & justice, immigration, competitiveness, purchasing power & work incentives, agriculture & food sovereignty, energy programming & transition and transportation.
- Despite holding the highest number of seats (126 for a single party), **none of the *Rassemblement National* deputies were elected for leadership positions** (“Bureau” or permanent Commissions).
- **The summer Paris Olympics Games are the “caretaker” government's top priority until mid-August.** No major announcements will be made until then.
- **The political fragmentation** of the new Assembly suggests that **no new laws or major reforms will be initiated in the next 12 months** (with a possible new dissolution thereafter).

Contact Us

www.amchamfrance.org

 77, rue de Miromesnil 75008 Paris

 +33 (0)1 56 43 45 63

 amchamfrance@amchamfrance.org

Reminder