

Reshuffling of the French Government – 2 April 2014

The March 2014 municipal elections constitute a historical defeat for the Socialist Party, whose bad results in the first round have been amplified in the absence of mobilization of left-wing voters. In addition to the loss of 150 cities over 9000 residents, the majority stands almost no chance to keep the Senate in next September's elections.

The votes expressed in this election demonstrate a **real disaffection for a « left-wing policy », in favor of a more liberal « social-democrat policy »**. The new government, announced on April 2nd at the Elysee Palace is clearly designed to fulfill this expectation.

Confirmation of Hollande's New Policy:

As announced, the number of Ministers in this « *combative government* » (according to President Hollande) is particularly reduced (in fact one of the narrowest of the 5th Republic), with only 16 Ministers. This being said, the nomination of Secretaries of State expected in the coming days is likely to nuance this notion of « streamlined government ». Gender equality has been maintained, with the presence of 8 women among the Ministers, including the President's ex-compagnion, Ségolène Royal, who enters the government.

The new governmental team is, with a few exceptions, politically homogeneous, and corresponds to the “Holland line” announced last January by the President, which he will present in details to the Parliament in the coming days: deficit reduction, public spending cuts, responsibility pact... **As anticipated, François Hollande's political line will not be modified by this new government which is designed to be more “professional”, but on the contrary is likely to be amplified and accelerated.**

The appointment, by Manuel Valls, of an economist expert in budgetary issues as Director of his Cabinet also seems to indicate that the implementation of the Responsibility Pact will be a priority for the Prime Minister. On the other hand, the announcement, by the President, following the municipal elections, of a corollary “Solidarity Pact” and of “more social justice”, aiming at reassuring the left-wing voters, is unlikely to influence the government's political line. The latter indeed seems determined to adopt significant structural reforms in order to send positive signals to Brussels, reforms whose rapid implementation could allow François Hollande to negotiate a reprieve for the level of deficit reduction required by the European Union. In this perspective, the government should ask the Parliament for an authorization to legislate by “*ordonnances*”, i.e. following a “fast-track” process (by this process, the Government receives an authorization from the Parliament to adopt legislative measures in a specific field and during a specific amount of time, that will then be simply ratified by the Parliament), in order to accelerate the implementation of the reforms.

A streamlined team with few modifications :

Following several weeks of intense speculation, **the number of new personalities in the government is finally quite limited**, since only Ségolène Royal and social-democrat François Rebsamen (who has just been re-elected Mayor of Dijon) make their entrance (*see the bios of the two new Ministers in annex*). Initially seen as a possible successor to Manuel Valls as Minister of Interior, the latter actually replaces Michel Sapin as the Minister of Labor, Employment and Social Dialogue. Ségolène Royal, former companion of François Hollande, mother of his 4 children, socialist candidate to the 2012 Presidential election and well-known for her strong temper, was foreseen as leading a broad Ministry gathering Education, Youth and Sports, but finally becomes Minister of Ecology, Sustainable Development and Energy.

The departure from the government of Pierre Moscovici, former Minister of Economy and Finance, Director of François Hollande's presidential campaign in 2012, was expected. His ambitions to be appointed in the European institutions, in particular at the European Commission, with an economic portfolio, were known, and his defeat at the municipal elections, added to his largely criticized track record at Bercy, also played against him.

Manuel Valls has however been keen to give guarantees to the left-wing voters by attributing important ministries to several symbolic personalities from this part of the spectrum. **Arnaud Montebourg, symbol of the left branch of the PS, wins a clear victory by becoming the Minister of Economy, Industrial Recovery and Digital Economy**, allowing him to stand as a central figure of the new government. First criticized for his position in favor of State interventionism and his economic patriotism, having then evolved toward a defense of a renewed industrialization by allowing more margin to enterprises, Arnaud Montebourg saw his dynamism praised by the French entrepreneurs. The newspaper "L'Usine nouvelle" had recently called on the President to "*keep Montebourg*", and the employers' unions seem ready to work with him in order to defend the French production equipment. His discord with former Prime Minister Jean-Marc Ayrault and with Pierre Moscovici had led to numerous communication failures that were detrimental to the former government and had shown the need to reduce the number of Ministers in Bercy.

Arnaud Montebourg will however have to work with another social-democrat, Michel Sapin, new Minister of Finances and Public Accounts, whose political line differs from his. Michel Sapin will notably have the difficult task to defend France's budgetary program in front of the European institutions.

Benoît Hamon, who used to be Junior Minister in charge of Consumers and Social Economy, obtains the Ministry of Education and thus becomes one of the « heavy weights » of the government. Former student unions' leader, he was part of Michel Rocard's circle in the 1980s, along with Manuel Valls, before turning to the left branch of the Socialist Party. Belonging to the same generation as the Prime Minister and Arnaud Montebourg, with whom he founded the "New Socialist Party" in 2003, he

compensates for the absence of representatives from the Green Party. In addition to reassuring the left-wing electorate, Benoît Hamon and Arnaud Montebourg constitute a major axis of the new governmental team, along with Manuel Valls, especially given the support brought by the two former to Valls' nomination as Prime Minister as early as last Autumn.

Last but not least, the re-appointment of Christiane Taubira, member of the left radical party, as Minister of Justice, is another important signal given to the left-wing electorate, which sees her as a symbol of the societal reforms conducted by Hollande's majority. This re-appointment was however far from certain, given her numerous disagreements with Manuel Valls regarding security issues when he was Minister of Interior, as well as the recent controversies about the wiretapping of Nicolas Sarkozy.

Manuel Valls has however failed to convince the Ecologists to join his government, in spite of several meetings with the representatives of the Green Party and his proposition to attribute the Ministry of Ecology to them. This refusal, and the departure of Cécile Duflot and Pascal Canfin, do not however meet unanimity within their Party, their members of Parliament being majorly in favor of a participation to the new government. As a result, these MPs' position in the upcoming confidence vote and for the following discussions of the legislative bills is yet uncertain, and an opposition from the Ecologists could complicate the government's plans in terms of energy and energetic transition.

Several remaining questions :

Following the presentation of the new government, several questions remain with regards to the distribution of certain services and topics that were left outside the government's presentation:

- The issue of European Affairs, which holds a particular importance in view of the European Parliament's elections in less than two months, has not been evoked in the first presentation of the government. The creation of a Secretary of State in charge of European Affairs, supervised by the Minister of Foreign Affairs, should be announced next week, with the possible re-appointment in this position of Thierry Repentin.
- The issue of Trade holds even more uncertainty, since it does not appear either in the announced Ministries, and that it is the subject of a battle between Laurent Fabius, Minister of Foreign Affairs, and Arnaud Montebourg, in charge of Economy, Industrial Recovery and Digital Issues. The former has been long advocating for the development of an "economic diplomacy" led by himself. Fleur Pellerin, former Minister in charge of SMEs, Innovation and Digital Economy, is mentioned as a possible candidate to lead a Secretary of State in charge of Trade, but the question of the supervision will need to be settled first.
- The division of Bercy into two distinct Ministries, one of the Economy, led by Arnaud Montebourg, and the other one for Finances, led by Michel Sapin, draws inspiration from the German model. This choice however raises the question of the distribution of competences among them, and in particular, by which of them the relevant Treasury services will be supervised (notably the department in charge of the Financing of the Economy and the Financial Markets).

The announcement, scheduled for next week, of the Secretary of States, whose number is estimated around 10, should contribute to clarify these questions.

Next steps :

The General Policy Address by the Prime Minister, followed by the confidence vote of the National Assembly, should occur Tuesday April 8th. In spite of the possible opposition by the Ecologists and the discontentment displayed by a few socialists, the government should have a sufficient majority for this vote (as a reminder, all the texts previously presented by Hollande's government have been adopted without the totality of the socialists but thanks to the large majority held by the government in the left wing), notably in view of the possible abstention by a few members of the right wing.

Moreover, it is very likely that an Amending Finance Law for 2014 will be adopted in order to adjust the State Budget to the implementation of the Responsibility Pact. This Pact should indeed be also presented by the government in the two upcoming weeks, in order to allow a rapid adoption by the Parliament.

Ségolène Royal – Minister of Ecology, Sustainable Development and Energy



Born on September 22nd 1953 in Ouakam, next to Dakar (Senegal), Ségolène Royal pursues studies in Economics at Nancy University, before graduating from two of the most prestigious schools of political and administrative studies: Science-po Paris in 1978 and Ecole National d'Administration (ENA) in 1980. She actually belongs to the infamous “*Voltaire Promotion*”¹ of ENA, where she met François Hollande, who became her companion for more than two decades, the father of her four children and her partner in her rise to political power.

Introduced to the President of the Republic François Mitterrand by his Special Advisor, Jacques Attali, she becomes very close to him, to the point where she is sometimes called the “hidden daughter” of the former President. She starts her career in 1982 as Case Handler in charge of Environment, Urbanism and Social Affairs at the General Secretariat of the Presidency, position that she combines, from 1983 to 1986, with the position of Municipal Councillor for the city of Trouville-sur-Mer.

Sponsored by François Mitterrand, she participates to several socialist governments. Appointed Minister of Environment in 1992, Ségolène Royal joins in 1997 Lionel Jospin's government, often referred as the “dream team”²: she successively becomes Junior Minister in charge of School Education (June 1997 - March 2000), Junior Minister in charge of Family and Childhood (March 2000 - March 2001) and Junior Minister to Family, Childhood and Disabled People (March 2001 - May 2002).

Today recognized for her « green disposition » by the ecologists, Ségolène Royal has always been interested in environmental and energy issues and has adopted, in the past few years, clear stances in favor of sustainable energies development, electric cars, garbage processing, sustainable building construction, reduction of the nuclear energy use and the prohibition of GMO cultivation. She however opposes any “ecological taxation” and does not close the door to the exploitation of shale gas in case a controlled method of extraction is found.

Ségolène Royal built her legitimacy and her popularity on her local implantation, her pugnacity and her sometimes non-aligned positions which allow her to wipe off her “Parisian elite” label. She becomes in 1988 Deputy of Deux-Sèvres, a constituency considered at the time “unwinnable”, and remains in this position until 2007³, when she decides to only keep her mandate as President of the

¹ Numerous members of the « Voltaire Promotion » of ENA have been holding, for more than 30 years, key positions within the State apparatus, for instance Dominique de Villepin, Renaud Donnedieu de Vabres, Michel Sapin, Frédérique Bredin or Jean-Pierre Jouyet.

² This nickname was given to this governmental team in view of the participation of political heavy weights such as Martine Aubry, Dominique Strauss-Kahn, Jack Lang or Bernard Kouchner.

³ With an intermission in 1992-1993 and from 1997 to 2002 due to her participation to socialist governments.

Regional Council, for reasons pertaining both to political convictions about the holding of multiple mandates, and to her desire to focus on her national ambitions while maintaining her local legitimacy⁴.

Having become a leading political figure and an expert in communication, Ségolène Royal sees her political ascent accelerate following her large victory in the regional elections of 2004, which allows her to become President of the Regional Council of Poitou-Charentes, becoming one of the few female Ministers to conquer a French rural bastion.

In 2006, Ségolène Royal runs for the socialist primaries in view of the 2007 presidential elections. Facing the PS « institutional » candidates, also referred to as « elephants », Dominique Strauss-Kahn and Laurent Fabius, her candidacy seduces the media, which will largely contribute to make her the favorite candidate to these internal elections. Her strong popularity with the left wing electorate, which sees in her the only person able to win against Nicolas Sarkozy, prevents François Hollande from running against her and leads to her large victory in the primaries in November 2006⁵. This episode however shed lights on her complex relationship with the PS apparatus, which she tends to shake up with her positions and to place in opposition to the socialist electorate and the media. This “cleaving” aspect of Ségolène Royal’s personality for the PS members still remains today.

In spite of the popular impetus that she claims with the launch of public debates and her association “*Désirs d’avenir*” (desire for the future), Ségolène Royal loses to Nicolas Sarkozy in the second round of the 2007 presidential elections with a score of 46.94% of the votes, and separates from her companion François Hollande on the very evening of the June 2007 legislative elections results.

Following her failure at the presidential elections, and based on the popular impetus she benefited from, she tries to conquer the Socialist Party’s leadership but narrowly misses at the November 2008 Reims Congress, against a coalition formed by Martine Aubry. This date marks the beginning of a long dry spell which sees several of her ambitions being dashed: in 2011 she only ranks 4th in the socialist primaries with 7% of the votes and is reduced to support François Hollande, with whom she however patch things up during the 2012 presidential elections; during the legislative elections in June 2012 she fails to be elected in Charente-Maritime, which puts an end to her project to obtain the National Assembly’s presidency (which she would certainly have obtained with François Hollande’s support). It is also during these elections that she gets involved, against her own will, in a private scandal caused by a “tweet message” posted by François Hollande’s new companion, Valérie Trierweiler, supporting her opponent, and dissident PS candidate, Olivier Falorni.

Marginalized following François Hollande’s election as President of the Republic⁶, Ségolène Royal adopts a critical stance towards the government. She recalls, in 2013, in the middle of the debate on

⁴ She then passes the constituency on to Delphine Batho, future Minister of Ecology, Sustainable Development and Energy (June 2012 - July 2013) who will refuse to give Ms. Royal her seat back when she tries to come back to a parliamentary mandate in the legislative elections of 2012.

⁵ She wins with 60.65% of the votes, compared to 20.69% for Dominique Strauss-Kahn and 18.66% for Laurent Fabius.

⁶ Even if she gets appointed, with the support of François Hollande, Member on the Board of the Public Bank of Investment in February 2013, as representative of the regions.

same-sex marriage, that she is in favor of a mere “civil union”, she criticizes the announcement in August 2013 of a “climate-energy contribution” even though she had signed the ecological pact presented by Nicolas Hulot in 2007 and she systematically criticizes the fiscal policy put in place by the Government, that she considers too harsh on the low income population.

Her popularity, which remains one of the highest among politicians⁷, and her conservative image allow her to join the government during the April 2nd 2014 reshuffling⁸ which follows the defeat of the left wing in the municipal elections of March 2014. First foreseen as leading a broad Ministry gathering Education and Culture, the refusal by the ecologists to participate to the Government finally makes her the ideal candidate to become Minister of Ecology, Sustainable Development and Energy, due to her political weight and her legitimacy regarding environmental issues.

⁷ 9th most popular political personality across the entire political spectrum, according to a poll (baromètre CSA-« *Les Echos* » de mars 2014.)

⁸ The obstacle linked to the confusion of private and public spheres having been alleviated following the separation of François Hollande and Valérie Trierweiler.

François Rebsamen – Minister of Labor, Employment and Social Dialogue



Born on June 25th, 1951 in Dijon, François Rebsamen graduated in Public Law, Economics and Political Sciences.

Moderate personality and man of networks, he spent his entire career within the political world. Very close to François Hollande, whom he accompanied during his dry spell in the 2000s, his major achievement is the conquest of the city of Dijon, historical bastion of the right wing, thanks to his good relations with the centrists. His alliance with the Modern party (centrists) allowed him to be reelected in 2008 and in 2014, even though the left wing was suffering a large defeat at the national level.

Moreover, he is a figure of the Socialist Party (PS), having been n°2 of the Party between 1997 and 2007, at the time where François Hollande, a close friend of his, was the First Secretary. He has also briefly been the Party's spokesperson in 2003. François Rebsamen was the PS Campaign Director during the regional elections in March 2004, then Campaign Director to support the "yes" to the referendum on the European Constitution.

Having held multiple positions in Ministerial Cabinets, François Rebsamen is a man of networks: he was a self-claimed Freemason until his election as the Mayor of Dijon and has tight and often informal relationships with various unions but also with the business community and the police forces. An actual "local baron", he spent the major part of his professional and political career in the Bourgogne region where he is very well established locally.

Professional Career

François Rebsamen starts his career as a Case Handler to the Bourgogne Region's Prefect from 1979 to 1981, before becoming Advisor in the Cabinet of the Bourgogne Regional Council's President, Pierre Joxe, from 1981 to 1982. Between 1985 and 1986, then from 1988 to 1990, he also holds several positions in Pierre Joxe's Cabinet after the latter became Minister of Interior, including Technical Advisor and Chief of Staff.

In 1982, he is appointed Director of Cabinet to the new President of the Bourgogne Regional Council, André Billardon, and then becomes Director of the Socialist Group in the Regional Council from 1983 to 1984.

From 1986 to 1988, François Rebsamen is Technical Advisor in charge of Regions to Pierre Mauroy, President of the National Federation of the Socialists and Republicans Representatives and former Prime Minister of François Mitterrand.

Between 1990 and 1992, he holds the position of Deputy Director in the Cabinet of Laurent Fabius, First Secretary of the Socialist Party. He finally holds the position of Technical Advisor in the Cabinet of the Minister in charge of the relations with the Parliament between 2000 and 2001.

Political Career

Following a brief involvement with the far left in his young years, François Rebsamen joins the PS in 1979, where he personifies a moderate left wing.

In 1994, he is elected Regional Councillor of Bourgogne, a position he will keep until 2001, when he is elected Mayor of Dijon, which swings from right wing to left wing for the first time since 1935. He also becomes President of the Dijon's Urban Community, but continues to hold positions within the PS. Indeed, he is first National Secretary in charge of Federation, Party Organization and Training, then in charge of Coordination between 2004 and 2008.

Ségolène Royal appoints him as her Campaign Director for the 2007 presidential election.

In 2008, he is elected Senator of Côte-d'Or, and occupies as of 2011 the position of President of the Socialist Group in the Senate. He also seats in the Finance Committee and works mostly on budgetary issues. He then advocates for the holding of multiple elected offices, in opposition to the position of the President, and his friend, François Hollande.

In charge of security issues during François Hollande's presidential campaign in 2012, he has long been identified as a possible candidate for the Ministry of Interior, first in 2012 and in the weeks preceding last week's reshuffling. The rivalry that exists between him and Manuel Valls blocks his access to this function that he ambitions and has been preparing for. The President however imposes François Rebsamen within the new government, where he becomes Minister of Labor, Employment and Social Dialogue. He therefore quits his Senator seat, as well as his position of Mayor of Dijon, replaced by his first Deputy, Alain Millot.

His new function places him at the center of the implementation of the Responsibility Pact and thus of François Hollande's new strategy.