

# FORTUNE

JANUARY 2019

FORTUNE.COM

## THE THE SHRINKING MIDDLE CLASS

## CLASS CLASS

DISPLAY UNTIL  
JANUARY 21, 2019



# On Macron vs. the Gilets Jaunes

Was France due for an insurrection?

By Lindsey Tramuta

## POLITICS

AMID THE ERUPTION of indignation and violent demonstrations in this months-old Gilets Jaunes (yellow vests) movement, few in France are surprised by the rejection of President Emmanuel Macron's intellectualized method of governing and the wider French establishment. In the 18 months since he took office, Macron has gone from being hailed as the French Obama (establishing a host of unmanageable expectations) to being vilified as a modern Louis XVI, accused of aligning his interests squarely with big business and blaming the misfortunes of the "forgotten" middle class on its lack of gumption.

Macron's efforts to woo companies to Paris, a rising startup hub, and demonstrate his progressive values, particularly on the environment, have made him political eye candy on an international stage—a foil to the populist politics of Trump, Putin, and Erdogan. At home, however, those stances have coincided with a perceived neglect of the everyday French citizen. Deepening the wound are what critics call an elitist attitude and a barely veiled con-



tempt for the working class. Unsurprisingly, the centrist leader's lack of empathy and friend-to-the-wealthy image has sent his approval rating into free fall. A fuel-tax increase, which he later canceled to quell the protests, was the final straw.

It's worth remembering Macron inherited a rudderless state fraught by high unemployment, and these protesters' frustrations run 40 years deep. His grave error, however, was dismissing warning signs of how rapidly the anger was mounting and remaining silent as the country came under siege by this unprecedented nonpartisan group.

His short-term battle is to convince the republic that he's not a leader who cedes to demands under duress, both domestically and internationally, like his predecessors. Then, it won't merely be about overcoming bureaucratic inertia to deliver lasting change. Macron will have to reconnect with the optimism and forward-thinking ideologies that made his entry as a political maverick so compelling—though it may be too late to reset the tone.

## REAL ESTATE

### AMAZON'S HOUSING BOOM

ADD RESIDENTIAL real estate to the list of markets that Amazon has disrupted—not that realtors are complaining. The company's November announcement that it will be splitting its vaunted "HQ2" project between Long Island City, N.Y., and the Crystal City district in Arlington, Va., has already significantly

+146%

CONDO SALES IN  
LONG ISLAND CITY,  
QUEENS, N.Y.

+158%

RESIDENTIAL  
SALES IN  
ARLINGTON, VA.

ramped up activity in their housing markets. In November, there were 32 contracts signed for condo units in Long Island City—up from 13 in the same period in 2017, per brokerage Stribling & Associates. Arlington, meanwhile, saw a 158% year-on-year increase in new contracts signed in November—to 178 from only 69 in 2017, according to brokerage TTR Sotheby's International Realty.

—REY MASHAYEKHI