

## ***The French Presidential Election Which Will Determine the Future of the EU***

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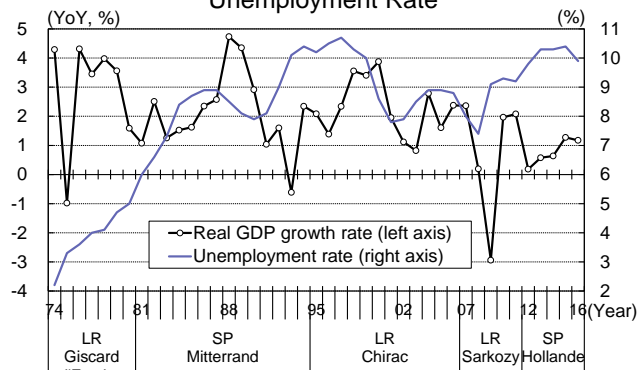
The first round of the French presidential election is scheduled for the 23<sup>rd</sup> April, with a second round on 7<sup>th</sup> May. Looking at past elections, presidents under the Fifth Republic were all members of one of the two main political parties, the Socialist Party and The Republican Party. All candidates who progressed to the run-off were also members of these two main parties, with the exception of Jean-Marie Le Pen, leader of the National Front (father of its current leader, Marine Le Pen), in 2002. However, in this presidential election, the candidates from these two main parties are facing a tough competition. Candidates who are favourites to advance to the run-off election are Marine Le Pen of the National Front and independent candidate Emmanuel Macron, who both maintain more than 20% of support. Candidates from the two main parties, François Fillon of The Republicans and Benoît Hamon of the Socialist Party, receive just less than 20% and 10% of support respectively.

The reason behind the struggle of these two main parties in this presidential election is the stagnation of the French economy. Looking at the growth rate and the unemployment rate, the economy worsened due to the Global Financial Crisis in 2008 and the European Debt Crisis from 2010 under the Sarkozy administration (elected in 2007, member of Union for a Popular Movement, now The Republican Party). Even after power switched to the Socialist Party in 2012, there has been no visible recovery of the growth rate and the unemployment rate remains high (Chart 1). This presidential election, Benoît Hamon (the candidate from the Socialist Party, the current ruling party) is resigned to fifth place behind Jean-Luc Mélenchon of Unsubmissive France, a left-wing party. In such a situation, the Republicans' candidate, François Fillon, should receive protest votes from those disappointed in the Socialist Party. However, his support rate has not grown as much as expected, showing the huge levels of voter dissatisfaction towards established parties.

According to a survey by the European Commission, the majority of French citizens do not agree that their voices count in the EU (Chart 2). Presidential candidate, Marine Le Pen, sees the EU, led by established political parties, as a reason for stagnant economic growth. On the other hand, Emmanuel Macron, who plans to win over the support base of established parties, takes a stance that the new EU will reflect popular will of the French people and that growth of the French economy will be achieved together with the EU. The result of this presidential election will show whether French citizens choose "leaving the EU" or "reconstructing the EU"

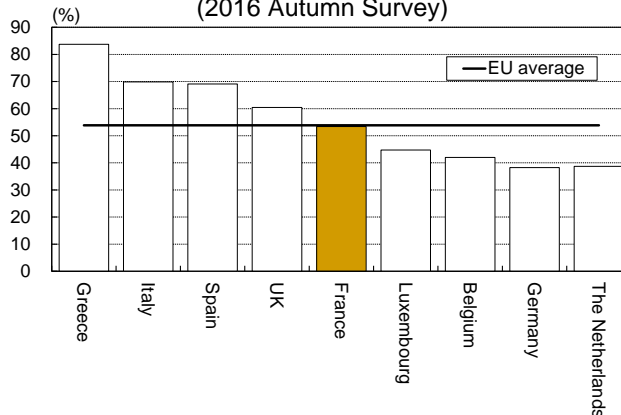
system” through active involvement in the EU. France’s decision will affect the discussion about what path the EU will take after the UK leaves.

Chart 1: French Real GDP Growth Rate and Unemployment Rate



Note: Names are those of French presidents. Current names of political parties are used, LR = The Republicans, SP = Socialist Party.  
 Source: The French National Institute of Statistics and Economic Studies, BMTU Economic Research Office

Chart 2: Ratio of Respondents in Member States Who Do Not Think Their Voice Counts in the EU (2016 Autumn Survey)



Source: European Commission, BTMU Economic Research Office

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