



Turnout key in French election

Le Pen voters more committed than left-wing supporters

Sarah Hewin, Standard Chartered

Marine Le Pen, leader of France’s National Front (FN), will need to overcome high hurdles to win the French presidential election in May. Even if she wins, the chances of an FN majority in the National Assembly are remote, and parliament would probably prove reluctant to approve a referendum on European Union and euro membership.

A Le Pen victory would be highly unsettling for the EU, and financial markets are becoming nervous that opinion polls may be underestimating her chances.

Polls show that Le Pen’s supporters are more committed than those of other candidates. The French Institute of Public Opinion estimates that 82% of Le Pen supporters are sure of their choice – the average for other candidates is 60%. Loyalty will stand Le Pen in good stead if voter turnout is low.

In a country that otherwise prides itself on high political participation, the indications are that voters may stay at home this year. Turnout is currently forecast at 62%, against an average of 83% for the past four decades.

Even so, to secure victory Le Pen would have to win more than double the record number of votes cast for FN in the 2015 regional elections. At that time, at the height of its popularity in the light of the European migrant crisis, the party attracted just under

7m votes – around 15-19m votes are needed to win the presidency, depending on turnout.

Unemployment is main concern

Surveys show that, unlike in the UK ahead of the British EU referendum in June 2016, French voters in general do not regard immigration as the major issue facing their country. This perhaps reflects the much lower rates of net migration to France than to the UK, and falling concerns since 2015.

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The chief problem is unemployment, according to nearly half of the respondents to Eurobarometer’s November 2016 survey. Unemployment, at 9.7%, is twice as high as in the US and UK, and has only recently started to fall. By contrast, the US and UK are close to full employment. The UK has created 2.5m jobs since 2010, compared with less than 500,000 in France.

Weak growth is partly to blame. France suffered less than the UK during the global

financial crisis, but since 2011 GDP growth has averaged just 1% per year in France. This compares with 2% per year in the US and UK. The 2011-12 euro area crisis contributed to weak growth in France, but even over the past two decades France has underperformed the UK. France is expected to lag again this year, with growth of 1.4%, against 1.7% in the UK and 2.1% in the US.

Despite the economic recovery, real earnings declined for a prolonged period in the UK ahead of the EU referendum. This was the UK’s ‘lost decade’, according to Mark Carney, governor of the Bank of England, and, together with rising inequality, may have contributed to increased anxiety about the future. In contrast, for those working in France, real earnings growth has stayed largely positive. After years of subdued consumer confidence, sentiment is rising in France. Fundamentally, France is less economically unequal than the UK and US and has lower rates of poverty, which might temper support for populist candidates.

Voters move away from the mainstream

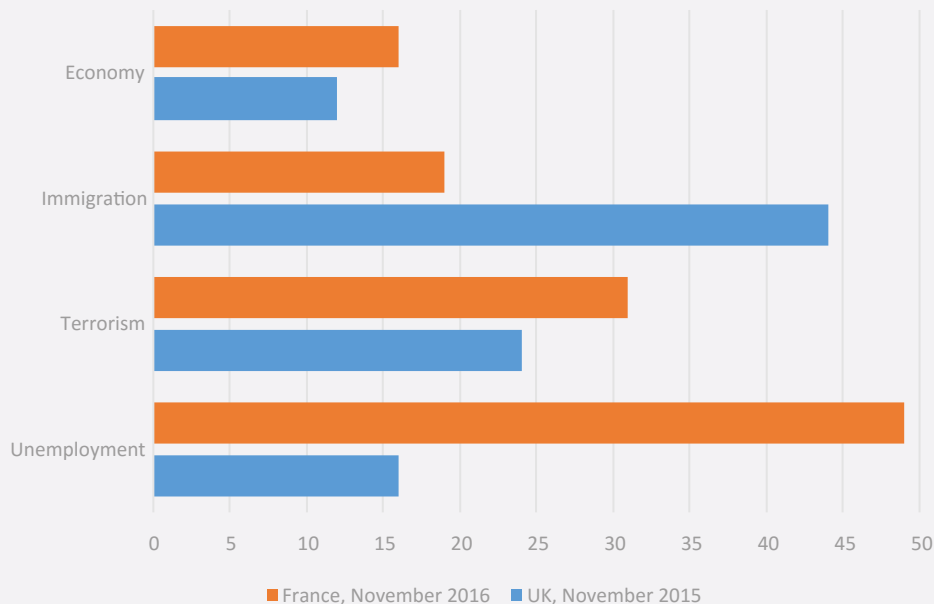
Opinion polls suggest that, though she could win the most votes in the first round of the election on 23 April, Le Pen will fail in the run-off on 7 May. There remain, however, risks that could cause voters to turn away from the mainstream centre-right and left-wing presidential candidates.

First, personal scandals, potentially inflamed by social media manipulation. Emmanuel Macron, the leader of the En Marche! centre-left party, claims to be the target of social media attacks. However, his campaign has received a boost from joining with veteran centrist politician François Bayrou. François Fillon, the conservative front-runner, is under formal investigation for the misuse of state funds. Second, terrorism is a major concern for French voters. In a run-off against Le Pen, Macron could be vulnerable in the event of a terrorist scare.

French voters remain in favour of the euro – 68% support the single currency, according to Eurobarometer. Once France’s election cycle is over, market attention may shift to Italy, where support for the euro is ambivalent (53% in favour) and where elections are due within the next 12 months. ■

Key concerns for French election different from pre-referendum UK

Most important issues facing country, % of respondents



Source: Eurobarometer, Standard Chartered Research

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