

France reaction: Macron wins, but he will lead a divided country

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Emmanuel Macron has won the French presidential election, with projections giving him a vote share exceeding 65%. [Alexandros Alexandropoulos](#) argues that regardless of Macron's victory, the problems affecting the country's economy and society mean that France is heading for a period of division.



Inside a train on the Paris Metro, I recently heard a conversation that illustrates the dilemma that has occupied many French citizens over the last two weeks. This dilemma, as the participants in the conversation remarked, is whether one should vote to prevent the rise of Le Pen, or rather choose abstention to avoid legitimising a political status quo that has failed France.

As the [results come in](#), it appears that a majority have viewed a victory for Le Pen as the greater danger. Initial projections gave Macron a vote of 65.1% against 34.9% for Marine Le Pen. But the truth is that even if Le Pen had managed to pull off a surprise victory, the direction of travel would have pointed toward the same destination. This is a future of economic hardship and deep divisions among the country's population.

At the beginning of the Eurozone crisis, France was, along with Germany, one of the countries with the greatest enthusiasm for implementing austerity in the Eurozone's periphery. But now France is about to enter the vortex into which Spain, Portugal, Greece and Ireland have been engulfed for years. French participation in the Eurozone is undermining the foundations of the French economy. Without the rebalancing function of the franc and mark, relative values of German exports to France [have reached](#) unsustainable levels, now worth \$101 billion, approximately \$29 billion more than French exports to Germany.

Most of these imports concern industrial products, especially cars, corroding the foundations of the French industrial base. A simple walk around France's former industrial regions will bring you face to face with the French version of the Rust Belt. The inability to print money means that France needs to increase its borrowing to compensate for the pressures affecting its economy. The size of the country's sovereign debt has long been an issue of concern and with the debt likely to rise, it is only a matter of time until the French state will try to cut public expenses in order to serve and reduce this rising debt. France's social welfare system is a primary target from where resources will be transferred to fill the gap.

Given the nature of the French economy, it is little surprise that Le Pen chose to place her primary focus on globalisation during her debates with Macron. Macron's unbending support for the Eurozone means that he will be forced to implement a project of cuts that will keep the country in the euro, but destabilise French society. But for all her rhetoric against 'savage globalisation', Le Pen would have been unlikely to steer away from the austerity path that France is entering.

The French financial sector is badly over-expanded and has been significantly damaged as a result of this expansion. Stress Tests conducted by NYU [have found](#) that the French banking sector is one of the weakest in the Eurozone. In a crisis scenario, French banks would have a capital shortfall of \$400 billion. Its banks are at risk and France will need to provide its financial sector with fresh capital from public funds to keep it afloat.

These funds are likely to come from public provisions, education and healthcare being the only sources that are easily accessible for this purpose. For all her strongly worded discourse on issues such as immigration and gay marriage, Le Pen's statements and manifesto were overly cautious when it came to the policies she planned to implement with regard to the banking system. Indeed, she failed to present a single policy that would address the

problem.

Macron's victory will generate headlines across the world. But French politics is about to become increasingly turbulent as France begins a new economic approach that will inevitably be focused on austerity. These cuts will further hurt and destabilise a society that is already divided and fragmented. They will exacerbate existing problems, from persistent unemployment and falling incomes, to the disillusionment of the young and the poor. After the excitement of the presidential election subsides, France will still be making headlines in the coming months, but likely for the wrong reasons.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics. Featured image via [bitcointalk.org](#).

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