

France – Does the presidential election solve the political standstill?

Political uncertainty in France is increasingly crippling the economy. The 2027 presidential election threatens to exacerbate this situation. We take a look at the candidates and the lengthy process leading up to the runoff election next May. However, without a majority in Parliament, even the new head of state will face the risk of a political stalemate, which could delay urgently needed economic reforms. Even the budget negotiations through the end of the year are likely to become a pawn in the election campaign. In the coming years, the French government's budget deficit could remain at 5% or even higher.

France's politics are slowing the economy

While the economy in the euro area has recently picked up again, France's economy contracted slightly in the first half of this year. Political uncertainty at least contributed to this trend. This is because uncertainty about future taxes, the retirement age, and social benefits is weighing on both households and businesses (see [Economic Insight](#)). With the presidential election coming up next spring, this uncertainty is likely to increase once again. Here is an overview.

A long election campaign lies ahead for the many candidates

Currently, there are about 35 people who are either already official presidential candidates, have registered for their party's primary, or have announced their intention to run. This is more than at the same point in the last four election campaigns (Chart 1).

But the road to the Élysée Palace is long: Candidates must secure 500 votes from elected officials in at least 30 different departments.[1] In the past, this has narrowed the field of candidates to ten to twelve people. Given the large number of applicants, more candidates could make it to the first round of the presidential election on April 18 this time around than has been the case in the past. If no candidate receives an absolute majority in the first round – as has been the case in all previous elections – a runoff election between the two candidates with the most votes will take place on May 2.

29 September 2026

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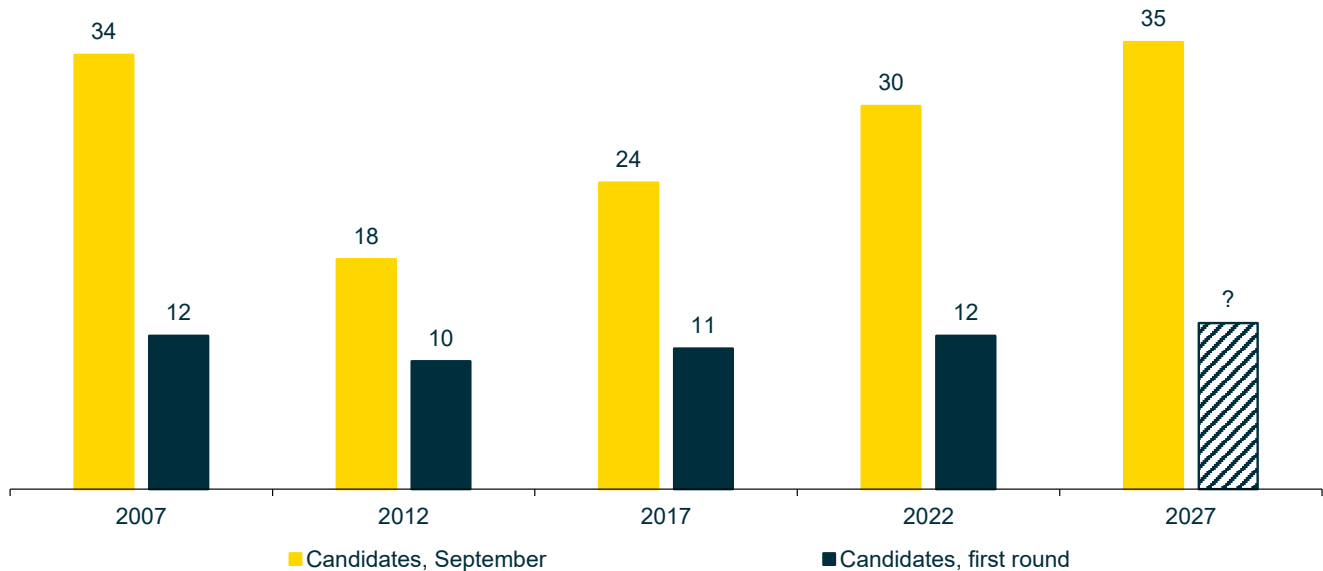
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Chart 1 - The number of candidates for presidency will fall

Number of candidates in September prior to the presidential election (officially declared, participating in primaries, or announced in the media) and the actual number of candidates in the first round of voting



Source: Google Gemini, Commerzbank-Research

Le Pen leads the polls...

The following candidates are the frontrunners:

Marine Le Pen (*Rassemblement National*, populist right)

Given her poll numbers – which show more than a third of voters supporting her – it is likely that Le Pen will once again advance to the runoff (Chart 2). Her chances in this election have increased once again, as defectors from the conservative Republicans have founded a new party to support Le Pen.

Economically, Le Pen advocates limiting immigration, fiscal consolidation through reduced spending on the EU, a debt brake, a reduction in the value-added tax on certain goods, and a return to a retirement age of 60. In the past, she has distanced herself from extreme demands such as leaving the EU and the euro. In recent months, Le Pen has advocated a more moderate economic policy, though she has occasionally put forward radical demands such as giving French citizens preference in jobs and social benefits.

Jean-Luc Mélenchon (*La France Insoumise*, populist left)

On the left, the populist leftist Mélenchon enjoys the highest level of support. Already in 2022, he was able to attract votes from other left-wing parties, such as the Socialists – despite their fielding their own candidates. Among other things, he called for the cancellation of French debt held by the ECB, a return to retirement age of 60 years, the elimination of subsidies for certain companies, and a wealth tax.

Édouard Philippe (*Horizons*, liberal center)

Philippe is currently the most popular candidate in Macron's centrist bloc (comprising the parties *Horizons*, *Renaissance*, and *MoDem*). Should conservative politicians fare poorly in pre-election polls, Philippe could also receive tactical votes from that camp. He advocates market-liberal policies such as tax relief for companies, supports longer working hours, and calls for a regulatory moratorium to curb bureaucracy.

Raphael Glucksmann/Olivier Faure (*Socialists*, social democratic left)

The Socialists will select a candidate in October. The choice is likely to come down to MEP Glucksmann or party leader Faure. The party calls for a reversal of Macron's reforms, social justice, and investments in ecological transformation. Former President Hollande is also hinting at a possible candidacy – regardless of the official nomination by the Socialist Party.



Gabriel Attal (*Renaissance*, Center)

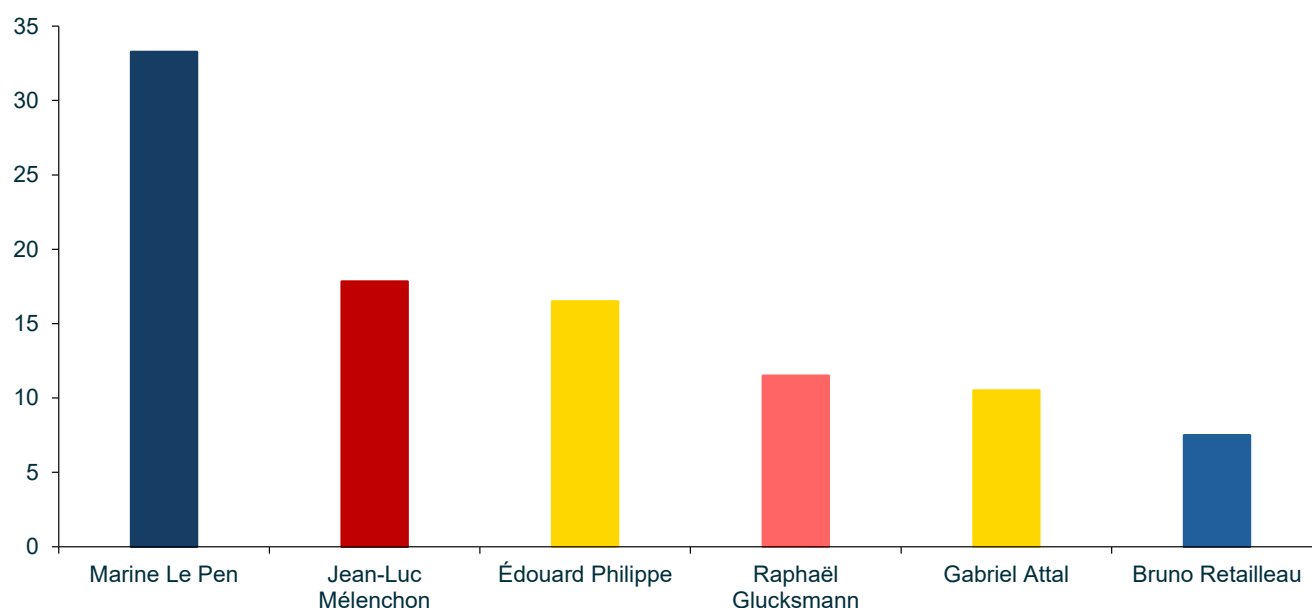
Former Prime Minister Attal is considered the heir to outgoing President Macron. He would continue his predecessor's policies, maintaining fiscal discipline through structural reforms such as tightening unemployment insurance, simplifying labor laws, and ensuring investment security for businesses through a long-term plan.

Bruno Retailleau (*Les Républicains*, Conservatives)

According to current polls, the Republicans' official candidate, Bruno Retailleau, stands little chance. Furthermore, his intra-party rival, Xavier Bertrand, is preparing to run for president independently of Retailleau. Retailleau advocates for reducing government spending and making the labor market more flexible.

Chart 2 - Le Pen has a clear lead in the polls

Average of the last three polls on the 2027 presidential election, in %



Source: Harris Interactive, Cluster17, OpinionWay, Commerzbank-Research

..., but Mélenchon is benefiting from tearing electoral alliances

Mélenchon's chances are rising as traditional parties and electoral blocs (a coalition of parties that join forces to support a common candidate) weaken. For example, the "Ensemble" electoral bloc has two candidates in the race: Attal and Philippe. Although there is an unofficial rule that one candidate should voluntarily withdraw by February, if this does not happen, politicians on the political fringes could benefit.

A similar argument applies to the Socialist Party: François Hollande, the former president from the Socialist ranks, is not participating in his party's primary and will likely announce his candidacy in December. In that case, both Hollande and an officially nominated Socialist candidate would be running. This bodes well for Mélenchon's chances. The French vote very tactically in the first round and might be more likely to give their votes to Mélenchon than to a weak Socialist candidate.

Overall, Mélenchon and Philippe (or Attal) could be in a neck-and-neck race for second place in the runoff alongside Le Pen – with an outcome that is difficult to predict.

Will the future president be able to govern?

The president holds a strong position in France: He appoints the prime minister, can dissolve Parliament, serves as commander-in-chief of the armed forces, and has broad powers in foreign policy. In other areas – particularly when it comes to drafting the budget – he and the government are, however, dependent on Parliament's approval.

A new president will likely call for new parliamentary elections – in the hope that his own bloc in Parliament will grow. It is possible, however, that the stalemate between the president and his government on one side and Parliament on the other will continue even



after next year's elections. A president would then have little chance of implementing his agenda. In that case, even the election of the liberal Philippe would hardly lead to any progress.

The Budget becomes a pawn in the election campaign

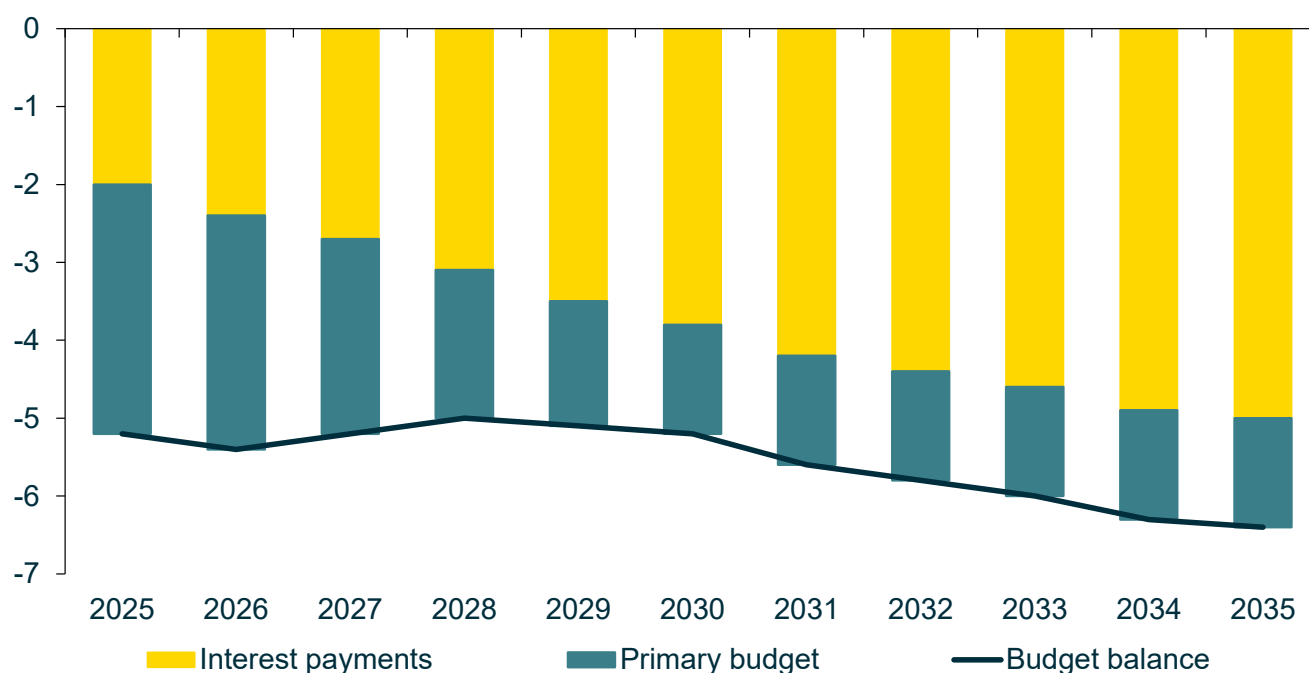
The government is currently working on a budget proposal for 2027 that is expected to include numerous cuts. Fiscal consolidation has become urgently necessary because the budget deficit is now likely to exceed 5%, and the interest burden is set to rise further in the coming years (Chart 3). According to media reports, current Prime Minister Lecornu aims to limit the budget deficit to 5% again next year.

As was the case last year, when reaching a budget agreement proved very difficult, centrist Prime Minister Lecornu relies on the Socialists and the Republicans. It is highly doubtful that they will be more willing to compromise during the election campaign than they were last year. Without an agreement, the provisional budget could lead to a deficit of over 5.5% in 2027. But even with an agreement, it is unclear whether the government will be able to meet its own deficit targets.

A glimmer of hope comes from Le Pen: she has offered not to block budget negotiations this year. In fact, the centrist camp, the conservatives, and Le Pen's RN party would hold a majority in Parliament. Since last year's budget bore the hallmark of the left-wing parties, a budget with deeper cuts to social spending could now be implemented.

Chart 3 - France' interest payments rise rapidly

General government interest payments, primary deficit and budget balance for France, in % of GDP



Source: World Bank, Bloomberg Economics, Commerzbank-Research

[1] It is true that there are more than 40,000 such elected officials, ranging from mayors to members of the European Parliament. However, since these "sponsors" are not allowed to do so anonymously, this remains a significant hurdle for candidates – especially for those who are not official candidates of a national party. ([Back](#))



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