

European elections – seize the opportunities!

AUTHOR

Marion Dezenter
Telefon: 0 69/91 32-28 41
research@helaba.de

EDITOR

Dr. Stefan Mitropoulos

PUBLISHER

Dr. Gertrud R. Traud
Chief Economist/
Head of Research

Helaba

Landesbank

Hessen-Thüringen

MAIN TOWER

Neue Mainzer Str. 52-58

60311 Frankfurt am Main

phone: +49 69/91 32-20 24

- European elections only possibility for citizens to directly elect an EU institution
- Since the Treaty of Lisbon, at the latest, the EP no longer a “toothless tiger” (any longer)
- Projections point to losses for “grand coalition”, but no clear shift to populist right
- Weak basis of shared values hampers progress in EU

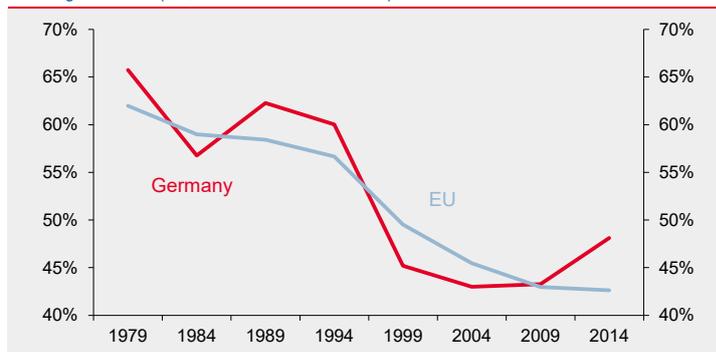
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1 The European Parliament – an unknown quantity

When elections to the European Parliament (EP) take place from 23 to 26 May 2019 in all EU countries for the ninth time since 1979, the turnout is yet again likely to be rather modest. It fell continuously from 62 % in the first election to only 42.6 % in 2014. This may have several causes – an altered political culture, a tendency to take elections and democracy for granted too much as well as disenchantment with politics or the feeling many people harbour of not having any influence. However, those who do not vote are forfeiting the only way they have to directly elect an EU body.

Voter turnout in EU elections on a downward trend

% of eligible voters (EU, incl. accession countries)



Sources: European Parliament, Helaba Research

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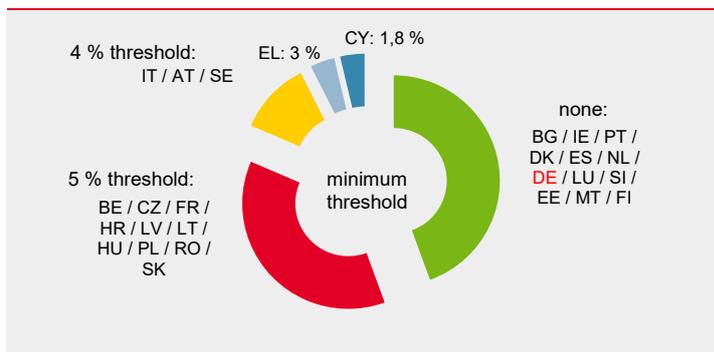
1.1 Democracy as a civic duty?

National election
Rules vary

In Germany, voter turnout in 2014 was around 48 % and thus above the average across the EU. In countries with compulsory voting – in 2014 these were Belgium, Greece, Luxembourg and Cyprus – turnout was significantly higher at up to 90 % in some cases. In other respects, too, elections to the EP are not as consistent as one might assume. For example, there are differences between member states in the election date, which depends upon regional conventions. The Dutch will go to the polls on Thursday while most other countries will vote on Sunday. No results may be announced before the last polling station has closed. The hurdles for entering the EP have also been set at different levels: While smaller parties in Germany and eleven other countries do not have to overcome a minimum threshold in elections to the EP, in ten countries the hurdle is relatively high at 5 %.

A mixed picture for rules on minimum threshold

Countries without a minimum threshold or with a minimum threshold of x %



Sources: European Parliament, Helaba Research

There are also differences in the minimum age of eligible voters. Although people in almost all EU countries can vote from the age of 18, in Austria, Malta and Greece the minimum age is 16 or 17, respectively. Candidates can usually stand for election from the age of 18 or 21, Romanians from the age of 23. Greeks and Italians can only put their name forward for election to the EP if they are at least 25 years old.

Closed list system
used in Germany

In more than half of EU countries, an open list system enables voters to choose their preferred candidate directly in addition to a party, thereby determining the order in which a party's candidates are elected. In Germany, however, as in almost all large EU countries, voters, on 26 May, elect parties that have defined the order of their candidates in lists themselves. The better a candidate's position on the list, the greater the chance s/he has of becoming or remaining an MEP. Transnational lists have been discussed but not yet been implemented. However, the political groups have nominated lead candidates for the office of President of the Commission on a transnational basis.

1.2 What does the EP actually do?

The EP exercises wide-ranging powers, the most important of which include legislative and budgetary competencies at EU level. Together with the Council of Ministers¹ and the Commission, Parliament is responsible for drafting legislation in Europe and also plays an important role in the adoption of the annual budget and the multiannual financial framework. Parliament may also grant or refuse discharge to the Commission and other institutions after scrutiny by the Committee on Budgetary Control. Furthermore, EU citizens have the right to petition the EP and present a European Citizens' Initiative at a public hearing.

¹ It is important to note the differences between the European Council = Heads of State and Government of EU countries, EU Commission President and, if required, the High Representative of the Union for Foreign Affairs and Security Policy; the Council of the European Union (or Council of Ministers) = government ministers of EU countries; and the Council of Europe = European human rights organisation, which is not an EU institution.

In addition, Parliament has far-reaching powers of control. In particular, it has the right to accept or reject the European Council's proposal on the composition of the European Commission or to decide on motions of censure against the Commission, as well as the right to request the European Court of Justice to take action against the Commission and the Council in the event of infringements. Parliament also elects the President of the European Commission after a process of coordination with the European Council. Parliament is also involved in filling other top positions in EU institutions, such as the ECB and the banking supervisory authority EBA.

Selected responsibilities of the EP

- Constitutional and ratification powers
- Participation in legislative procedures
- Budgetary powers
- Scrutiny of the Executive
- Actions before the European Court of Justice
- Petitions
- European Citizens' Initiative
- Election of the President of the Commission, EU Commissioners, etc.

Sources: European Parliament, Helaba Research

A wide range of
current issues

One issue that the EP has recently addressed is the reform of EU copyright standards. This process attracted considerable media attention, particularly because of its potential impact on content sharing platforms. Member States have two years to implement the compromise reached in the so-called trilogue between Parliament, the EU Commission and the Council of Ministers as soon as the final text has been agreed (probably in April). Another example is the reform of the European System of Financial Supervision. There may also be a re-emergence of the glyphosate issue for EU institutions, on which Parliament previously organised a hearing as part of a citizens' initiative in 2017.

1.3 Not a “toothless tiger” (any longer)

While the EP's influence was still comparatively limited in the early days of the EU, various changes to the Union's legal framework, most recently the Treaty of Lisbon at the end of 2009, expanded its powers and thus strengthened its position. On the one hand, its role in drafting legislation has been extended and, on the other hand, new policy areas have been added to its remit. The initiative for legislation continues to come exclusively from the EU Commission. However, the impetus that sets this process in motion may also come from the EP or the Council of the European Union ("right of political initiative"). Similarly, a European Citizens' Initiative (at least one million citizens from at least a quarter of the Member States) is able to trigger a legislative procedure.

In the so-called "ordinary legislative procedure", which is the predominant procedure in use today, both the EP and the Council must agree before a law can enter into force. This is usually preceded by several rounds of negotiations. In addition, there are other procedures, the so-called "special legislative procedures". In this case, the Council is practically the sole legislator, but can only adopt legislative proposals, e.g. for the accession of new Member States and the determination of withdrawal arrangements, with the approval of Parliament. In other cases, such as exemptions from internal market rules and competition law, it is required to consult Parliament, even if the latter's position is not binding on the Council. Thus, the view from some quarters in the past that the Parliament was nothing more than a “toothless tiger” quite clearly no longer applies today.

This means that votes in the EP also carry weight with regard to Brexit: both the Withdrawal Agreement and the Political Declaration on the framework for the future relationship between the

Legislative and budgetary
competencies strengthened

United Kingdom and the EU must be approved by Parliament before they can be adopted in the European Council. However, Parliament also actively participates in the ongoing Brexit process, whether by trying to influence the British government so that an agreement can be reached or by making concrete proposals for an orderly relationship after Brexit. As recently as March 2018, the EP voted in favour of an Association Agreement between the EU and the United Kingdom.

Despite all the ways in which the EP has developed, it still maintains three official locations: in Strasbourg, Brussels and Luxembourg. The cost of transporting documents and MEPs' own travel expenses, which exceed 100 million Euro a year, is a frequent cause for criticism. However, reform of this structure, which has evolved over time, would require changes to the treaties and unanimous agreement by all Member States.

2 What risks do the elections in May pose?

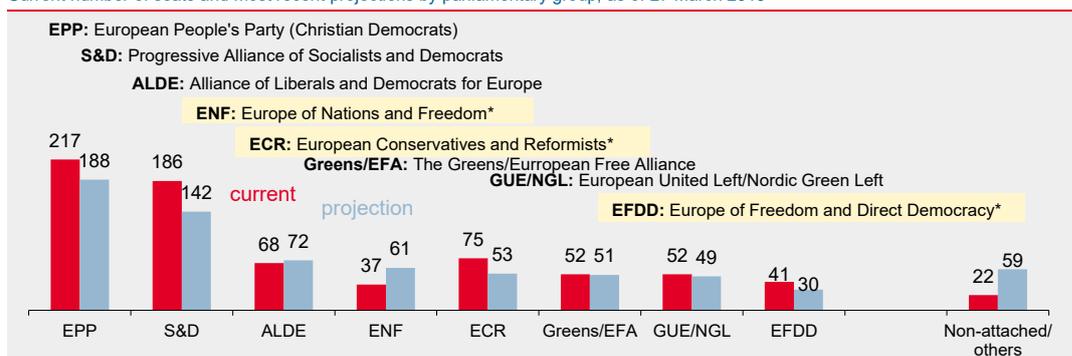
Five weeks before the European elections, the final tally for each party is not the only thing that remains unpredictable. There are still many question marks surrounding the formation of parliamentary groups, because unlike in the German Bundestag, for example, parties from several nations are organised into parliamentary groups whose political orientation often only coincides to a limited degree. The specific shape that Brexit finally takes, which is not yet clear as of today, will also have a major influence on the future work of the Parliament, which will commence its next term at the beginning of July 2019.

2.1 Current composition of the Parliament

Currently, MEPs in the EP form eight parliamentary groups with political affiliation, rather than nationality, being the decisive factor for membership of a group. There are also 21 non-attached MEPs. A group can be formed if it has at least 25 members and includes at least a quarter of the EU countries, currently seven. Obligatory agreement within parliamentary groups on their ideological outlook is intended to prevent technical "partnerships of convenience" and splinter groups.

"Grand Coalition" of EPP and S&D retains majority

Current number of seats and most recent projections by parliamentary group, as of 27 March 2019



*eurosceptic and populist to right-wing groups; specific EU election surveys, if available, otherwise: national opinion polls
Sources: European Parliament, Helaba Research

The European People's Party (EPP), which includes the German CDU/CSU, and the Social Democrats (S&D) currently have a majority. Together, the two groups account for around 54 % of seats. This is relevant for the so-called ordinary legislative procedure since, although there is no government coalition such as in the German Bundestag, votes are decided by the majority of elected members of parliament (MEPs). According to an analysis conducted in 2013, voting behaviour, at least in the major parliamentary groups, barely differs from party discipline in the Bundestag. However, considering that MEPs frequently enter and leave parliamentary groups, majorities may shift between elections. It also remains to be seen as to what groups new parties, which were formed since the last election, will join. The French "En marche/MoDem" alliance, which according to surveys could win 22 seats, is expected to join the liberal ALDE group.

Minimum standards for the formation of parliamentary groups

Currently majority for EPP and S&D

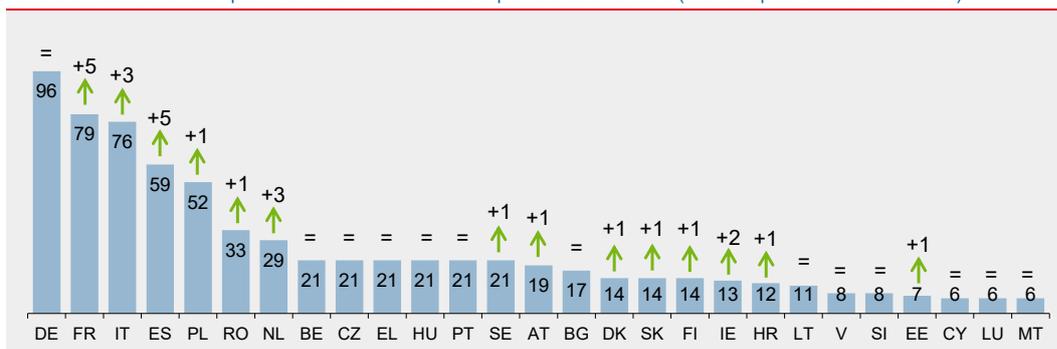
2.2 Brexit and EP – Trojans included?

Parliament to shrink
after Brexit

Of the 751 seats that Parliament currently comprises, including the President, 73 are allocated to the United Kingdom. It has already been decided that the Parliament will be reduced to 705 seats after Brexit. At the same time, under-represented countries (e.g. France, Italy, and Poland) are expected to be permitted to send additional MEPs. A reserve for new EU countries will also be made available. The number of German parliamentarians will remain the same at 96 and will continue to be the largest group, followed by France (79) and Italy (76), which will both gain seats.

Allocation of seats by country

Number of seats in new European Parliament and difference to previous seat numbers (after European elections and Brexit)



Sources: European Parliament, Helaba Research

Brexit postponed
again

The repeated postponement of Brexit makes it difficult to predict the future composition of Parliament. The compromise, which both the European Council and the UK agreed to on 10 April, stipulates that the UK Parliament has until 31 October 2019 at the latest to ratify the Withdrawal Agreement. That is also when the current EU Commission's term of office ends. If the House of Commons ratifies the Withdrawal Agreement before the deadline, Britain is expected to leave the EU on the first day of the following month. As it is highly likely that the country will remain a member of the EU until the election date, it must participate in the European elections or leave the EU on the 1st of June. In the event of further postponements, British MEPs would also participate in plenary sessions of the new EP. Since major decisions are due to be taken in the second half of the year, such as the 2021-2027 Multiannual Financial Framework, the UK has committed itself to loyal cooperation during the extension period. It remains to be seen how well the "Trojan horse", which British Brexit hardliners have threatened to unleash, can be kept in check to prevent decisions from being blocked.

Projections of the elections regularly published by the EP have so far been based on the assumption that the United Kingdom will not participate. If the country takes part in the elections after all, there is even the possibility that pro-European forces will be mobilised there that will siphon off voters from the established parties. This is because arguments over Brexit have led to frustration among a broad section of the population and have brought the risks of Brexit to the attention of the public. A survey conducted by the EP also reflects this, as there is no majority in any member state in favour of withdrawing from the EU. Asked how they would vote in a referendum, there was a majority everywhere – even in the UK – in favour of remaining in the EU. Even this remains an option in the ongoing Brexit saga because the British are still able to unilaterally revoke the withdrawal notice at any time.

2.3 A swing to the right after the elections?

According to current opinion polls², the large EPP and S&D groups will lose their majority and are only projected to receive around 47 %. However, EU sceptics and populists are also expected to suffer losses, which appears set to partly benefit the far-right. Overall, the proportion of right-of-centre parties should remain unchanged at just over 20 % of seats, according to these projections. In Germany, the most recent opinion polls point to the conservative CDU/CSU, despite losing ground, achieving a relative majority of just over 30 %, while the centre-left SPD's share of the vote, at 18 %, is predicted to reduce its share of the vote is predicted to fall significantly. Polls also suggest the Greens would gain ground and narrowly overtake the Social Democrats. The right-wing populist AfD would come in fourth place with 10 % of the vote, ahead of the Liberals and the Left Party (7 and 6 %, respectively).

EPP postpones decision on expelling Fidesz from group

One problem for the conservative EPP group could be the expulsion of the Hungarian Fidesz/KDNP, which has repeatedly opposed the group's political positions. Since the party could contribute 13 MEPs to the group (which would amount to 7 % of the EPP's seats) according to projections, expelling them would further weaken the EPP. This would presumably benefit the eurosceptic ECR group, which includes the Polish PiS as well as the British Conservatives and which has already signalled its willingness to accept Fidesz into its ranks. However, the EPP has managed to avoid a confrontation on this issue in the run-up to the elections. While the minimum number of EPP member parties required for a suspension request was significantly exceeded, at the end of March Fidesz's membership was initially only suspended and the issue was referred to an internal committee tasked with deciding on the next steps.

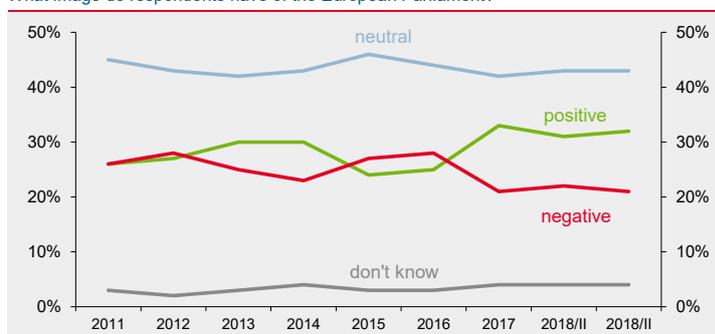
However, there could yet be a swing to the right after the elections if parties critical of the EU were to break away from their previous groups and organise themselves into a new group. First steps in this direction were taken at the beginning of April by leading politicians of right-wing populist European parties during a meeting to found the EAPN (European Alliance of Peoples and Nations). It remains to be seen as to whether a broad-based alliance between nationalists and populists will actually emerge in the EP and whether such a pact would really be viable.

3 What the voters think

The EP and Commission conduct surveys at regular intervals which, due to the fact that the questions they pose on a variety of issues often remain constant over a longer period of time, provide insights into trends, preferences and views among the population of the EU.³

Majority is indifferent about Parliament

What image do respondents have of the European Parliament?



Sources: EU Parlemeter Oct. 2018, Helaba Research

² Updates to projections and an estimated distribution of seats in the EP can be found at: <http://www.europarl.europa.eu/at-your-service/en/be-heard/eurobarometer/political-landscape-developments>

³ See also: <http://www.europarl.europa.eu/at-your-service/en/be-heard/eurobarometer/>

The population does not yet appear to be aware of the fact that the EP is a significant player in shaping the way countries coexist in the EU and in determining the block's future political and economic direction. At the very least, this is what the rather indifferent attitude towards the EP suggests: 43 % of respondents describe their image of the EP as "neither positive nor negative". Despite this, almost half would like to see it having a more important role.

3.1 The issue hit list – what voters want the EP to focus on

When asked about the biggest problems facing the EU at present, 40 % of Eurobarometer respondents mention immigration as a key issue. This is followed by the issues of terrorism, the state of public finances and the economy (a long way behind with 20 %, 19 % and 18 %, respectively).

The "Parlemeter" survey asks the public to name the most important issues to which Parliament should give priority in its work. Here, the most popular answers concern economic issues. A united European response to the issue of migration must be on Parliament's to-do list for 27 % of participating EU citizens. For Germans, this topic is of above-average importance and is mentioned in second place after "social exclusion and poverty".

Issues voters think the Parliament should tackle

• Social exclusion and poverty	41 %
• Youth unemployment	33 %
• Terrorism	30 %
• Migration	27 %
• The economy and growth	24 %
• Climate change	23 %

Multiple answers possible

Sources: EU Parlemeter Oct. 2018, Helaba Research

At 41 %, the fight against poverty and social exclusion in the EU continues to top the list of issues that voters want the next EP to deal with – still ahead of the fight against youth unemployment, which accounts for 33 % of all responses. Poverty and exclusion are a particular concern in Lithuania and Portugal, while Germany is almost exactly in line with the EU average. Youth unemployment mainly preoccupies people in Greece, Croatia, Cyprus, and Italy. The fight against terrorism comes in third place. Overall, fears seem to have eased somewhat in this respect.

Explicit desire for further harmonisation on certain issues

When it comes to legislation, media reports and discussions can readily give the impression of the EU as a "bureaucratic monster" that unnecessarily regulates people's lives down to the last detail. However, it would be a sweeping generalisation to infer from this that EU citizens are therefore critical of progress on harmonisation. In specific areas, there is even a strong desire for greater harmonisation of legislation. This primarily concerns environmental standards and wages, but also, for example, food safety and education. In these policy areas, at least 70 % of the respondents are in favour of greater harmonisation.

Migration continues to preoccupy EU population

Desire for harmonisation depends on issue

3.2 Each for themselves – none for all

A basis of shared values among the population would be helpful for the harmonisation of legislation and for the further development of the EU, in order to be able to formulate clear demands on the only directly elected EU body. However, none of the values that are important to respondents in the work of the EP receive particularly strong support. Not even the protection of human rights achieves 50 % approval, while little more than a third of respondents mention solidarity between Member States as a priority.

This weak basis of shared values makes working on our common European home more difficult. This is particularly the case, for example, when the population is asked about the most urgent steps that need to be taken with regard to migration: While improving migrants' situation in their countries of origin is the top priority in almost half of countries surveyed, combating illegal immigration is the number one concern in others. It is therefore almost inevitable that there will be difficulties in prioritising issues or agreeing on the earmarking of limited resources, resulting in delays in taking decisions and passing legislation.

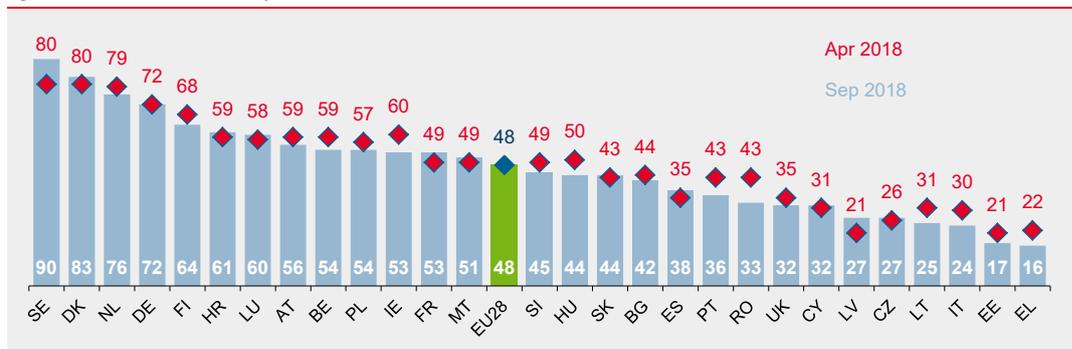
3.3 An EU for its citizens – but are they aware of it?

non-voters squander
opportunity for influence

By electing the EP, in addition to the instruments of petition and the European Citizens' Initiative, EU citizens have the opportunity to directly influence the work of the EU. However, at 48 %, only slightly less than half of Eurobarometer respondents believe that "my vote counts in the EU". To abstain from voting on the assumption that you have no influence would be a catastrophic paradoxical fallacy. On the positive side, EU-wide agreement on this issue has risen steadily over the last few years and recently narrowly exceeded those who feel they have no influence. It is debatable as to whether this will actually lead to a higher turnout in May, since the crucial weeks in the run-up to the elections so far have been completely taken up with difficulties within the EU, such as Brexit.

European elections – many people lack the feeling that their vote counts

Agreement with the statement "my vote counts in the EU" in %



Sources: Eurobarometer autumn 2018, Helaba Research

Ultimately the discussion ignored the issues that directly affect the vast majority of people in the EU. For aspects that make it to the forefront of surveys as election campaign issues – immigration, the economy and growth, youth unemployment – very often only feature on the fringes, at best, of reporting on the work of the EU. Focusing on these issues more closely, making the practical benefits of the EU and its institutions in citizens' everyday lives transparent⁴ and highlighting the opportunities for citizens to exert their influence would be proof of the EU's relevance to people's lives. Perhaps this would be more effective in convincing eligible voters that their vote counts in the EU and that it is indeed worthwhile lending it weight in elections to the EP. ■

⁴ See also <https://europa.eu/european-union/about-eu/what-the-eu-does-for-its-citizens>