N O V E

2019 EU ELECTIONS

State of Play

21 MAY 2019

OVERVIEW

NOVE has produced this third update as part of ongoing analysis in the run up to the EU elections. Our last update, which focused on the dynamics within the big four Member States, remains an interesting read. Following on, this report will analyse the postponement of Brexit, its impact on the polls, group formation and overall political landscape. We include an overview of the most recent polling numbers, possible group sizes and our thoughts about how a majority maybe formed in the Parliament.

AND THEN THERE WERE 28, AGAIN!

Brexit was supposed to have happened already, but instead, it was postponed until the end of October, with a significant impact on the national and European political landscape.

This means that the UK will participate in the European elections, but leaves the length, extent and type of MEP participation, in the words of the Commission President, "nebulous".

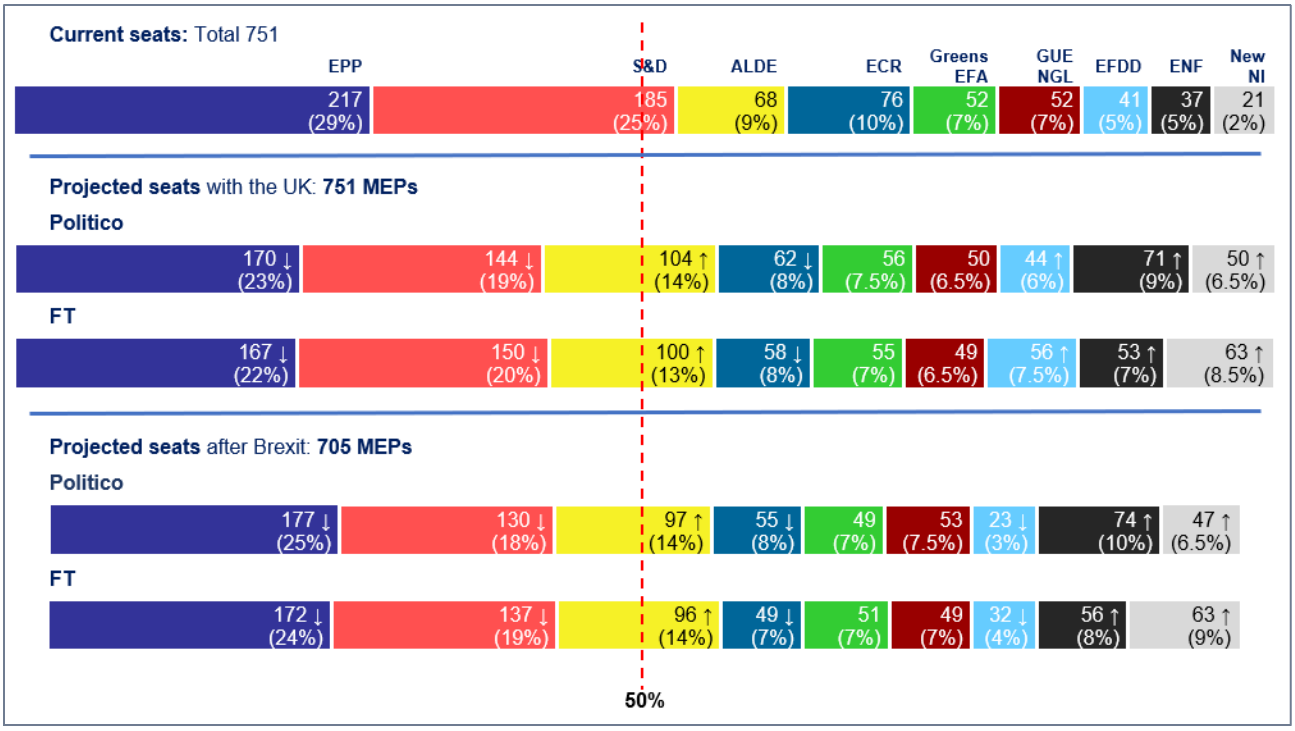
Effectively, the elections will yield two European Parliaments – one with the UK MEPs, consisting of 751 MEPs, and the other consisting of 705 MEPs where some of the UK's seats have been redistributed amongst the EU27 and rest removed, according to the previously agreed plan when Brexit was supposed to have happened back in March 2019. The envisaged redistribution of the seats per Member State is detailed in the table on the right.

The two different scenarios, one with the British MEPs and the other with redistributed seats, could significantly influence the formation of political groups and have an impact on dynamics within and between the groups. It is therefore prudent to analyse the polls bearing in mind the duality of the next Parliament.

Member State	Current	Post-Brexit	Difference
Germany	96	96	=
France	74	79	+5
UK	73	-	-73
Italy	73	76	+3
Spain	54	59	+5
Poland	51	52	+1
Romania	32	33	+1
Netherlands	26	29	+3
Greece	21	21	=
Belgium	21	21	=
Portugal	21	21	=
Czechia	21	21	=
Hungary	21	21	=
Sweden	20	21	+1
Austria	18	19	+1
Bulgaria	17	17	=
Denmark	13	14	+1
Slovakia	13	14	+1
Finland	13	14	+1
Ireland	11	13	+2
Croatia	11	12	+1
Lithuania	11	11	=
Slovenia	8	8	=
Latvia	8	8	=
Estonia	6	7	+1
Cyprus	6	6	=
Luxembourg	6	6	=
Malta	6	6	=
Total	**751**	**705**	**- 46**

THE TALE OF TWO PARLIAMENTS

The duality of the Parliament further complicates an already difficult polling exercise. EU elections are notoriously complex to predict because sources use a mixture of polling data – EU-specific data where possible, national-level data where not. The below graphic outlines the latest predictions for both scenarios.



- The polling sources work on the **presumption that current political groups will continue to exist** in the next mandate.
- The arrows show which European Parliament groups are likely to significantly improve their position in the EP and those which are set to lose seats compared to 2014-19.
- The high numbers in the NI/New column reflect the lack of clarity as to where newly formed parties which do not currently align with any group may end up. However, it is unlikely that the NI portion of the Parliament would stay that large as they will likely join official groups.

EPP

Compared to the current composition of the Parliament, the EPP is poised to enter the first Plenary session of the new Parliament **losing approximately 40 seats**. Their national delegations from France, Spain, Poland and Italy are likely to be severely depleted. The potential departure of the currently suspended Hungarian member – Victor Orban's Fidesz party (projected to get 14 MEPs) – could also further reduce their size, bringing them potentially *en par* with the S&D. However, the **EPP** is the group set to **gain most from Brexit,** not having a British member party, and therefore not losing any seats, whilst also gaining the most MEPs from the post-Brexit redistribution.

S&D

The **S&D's decline** should be **temporarily cushioned by the Brexit delay** (because the British Labour delegation would remain), but in a post-Brexit scenario, they are likely to **lose the most** both in percentage points and in absolute numbers of seats. Just like the EPP, they face a possible departure of one of their important parties, PSD Romania (governing party), whose delegation is projected to be in double digits. However, with the second largest group in the Parliament, a string of recent (Finland and Spain) and likely upcoming (Denmark in June) electoral successes, the Socialists will have some momentum ahead of the negotiations for key European posts (Commission and Council Presidents, Commission portfolios, HRVP, ECB, etc). Additionally, a possible structured partnership with the Greek Prime Minister Alexis Tsipras (GUE, but participating at PES meetings) could help them further in the negotiations this summer.

ALDE

The **biggest winner of the elections should be ALDE,** in partnership with President Macron and his "En Marche" party. Not only is their group likely to grow by almost a half, they could position themselves as the leaders of a "progressive block" in the Parliament, equally acceptable as a partner to S&D and EPP. They could also act as kingmaker in the European Council where they still control 8 seats out of 27 (though the UK remains an EU member, their representatives are unlikely to take an active part in decision-making).

ECR

Brexit will have the most far-reaching impact on the **ECR group**. Not only does their largest delegation, the UK Conservatives, look certain to suffer major loses at the coming ballot, their participation in the group could hinder ECR's plans for growth that we explored in our first note of this series. Combined with the UK Conservative Party's Brexit stance, it is possible that they may decide to stay out of the group structures entirely and sit (should they even come) as non-attached MEPs, unlike other British MEPs.

ENF

Anti-establishment populist and (far) right parties have received new impetus from the initiative of the Italian Deputy Prime Minister, Mateo Salvini, and his European Alliance of Peoples and Nations (**EAPN**), a movement which combines many current **ENF** and some ECR parties. However, it is still uncertain how this grouping would position themselves in the new Parliament. It is possible that the EAPN would form their own group or that some parties join the restructured ECR. If EAPN does become a group, it would replace the ENF and likely spell an end to the EFDD, welcoming at the beginning Nigel Farage and his Brexit party, and potentially even poaching some potential new members from the ECR, bringing their numbers **close to 100 MEPs** (at least pre-Brexit). Either way, should EAPN become a group, they will be the fourth largest and become more difficult to neglect.

Others

EFDD group is very **unlikely to survive** in the next mandate, leaving an open question as to what would Italy's 5Stars movement do. Two groups whose sizes should not drastically change are **GUE/NGL** and the **Greens/EFA**. GUE could face challenges of their Greek member – Syriza – leaving the group for S&D and Sin Fein possibly joining the EFA part of the Green's group. At same time, Greens could have a better result than envisaged by the polls, being one of traditional destinations for "revolt votes". Notwithstanding, the Greens have already achieved a status of a partner of the political mainstream in Brussels and their influence in the Parliament is likely to grow.

NEWS FROM SELECTED MEMBER STATES

Last time we analysed the situation in Germany, France, Italy and Spain. Now, we focus on Member States and regions which, beyond the "Big 4", could play a major role in the coming term: the Visegrad 4 countries and the recent gains of the Social-Democrats in the North and the South of the Continent.

VISEGRAD 4 – A REALM OF INSTITUTIONAL POPULISTS

A former EPP stronghold in the post-2004 enlargement period, the countries of the Visegrad 4 group (V4) – Poland, Czechia, Slovakia and Hungary – have all slowly veered towards populism. While belonging to four main political families (EPP, PES, ALDE and ACRE), the leaders of the V4 have espoused nativist and populist rhetoric but these elections may shake things up.

Poland

The largest of the V4, Poland, has been under the scrutiny of Brussels for challenges to the rule of law and diminishing democratic standards for a while. Domestically, however, it hasn't had much of an impact on the governing Law and Justice (PiS, ECR) party, whose support has been hovering close to 40% and whose EP delegation is likely to grow by 4-5 MEPs, making it one of the largest parties in the next Parliament. Following their success in some major cities in the recent local elections, the opposition parties decided to unite ahead of the European elections and present themselves as a single front against the PiS. As a consequence, both sides presented strong candidate lists and Poland may send to Brussels some real heavyweights, including six former PMs (five from the opposition, one from PiS) and for the first time, send Liberal MEPs. Polish MEPs will certainly play a leading role in the next ECR group and will have an important place within the EPP.

Hungary

Dominated by Victor Orbán and his Fidesz party (EPP) for a decade, Hungary has been gradually slipping towards a “illiberal democracy”, with limited concerns expressed by the largest European political family. However, in the past year, the EPP split-voted for the EU to start punitive procedures against Budapest, and in March suspended Fidesz’s membership with conditions. This has had little impact on Orbán’s popularity at home. However, the spat with the EPP (Orbán, one of Manfred Weber’s early promotors, recently withdrew support for EPP’s *Spitzenkandidat*) and Fidesz’s almost inevitable departure could contribute to a much more difficult relationship between Brussels and Budapest in the next mandate.

Czechia and Slovakia

Grouped together for political similarities, rather than any historic reference: both countries’ populist leaders face internal scandals; political challengers are likely to do well at the European elections; and snap elections are a prospect in both countries. In Czechia, Andrej Babiš and his ANO party (ALDE) face accusations of corruption and mismanagement and a potential surge by the Pirate party in the EU elections could bring about demands for a snap general election. In Slovakia, the government of SMER-SD (S&D) has also been marred with scandals. Their presidential candidate, Commission Vice-President Maroš Šefčovič, was defeated by a hefty margin by an anti-corruption political newcomer from a newly formed centrist movement. SMER-SD’s defeat this weekend could lead to growing demands for an early election.

It is also worth noting that fragmentation of the EPP in both countries (EPP is divided between more than half a dozen lists) may lead to loss of 9 EPP MEPs between the two. This combined with a potential net loss of 7 MEPs in Poland, and likely departure of Fidesz, the **EPP could face decimation** in their former V4 stronghold.

THE RED WAVE – NEW STRONGHOLDS FOR THE LEFT

Following the successful formation of the government with Greens in **Sweden**, electoral victory in **Finland**, and projected win at the upcoming ballot in **Denmark** in June, the Nordic block in PES/S&D will gain significance both within the Socialists’ political family and in EU as a whole. While the changes to their delegations in the European Parliament would remain negligible, their presence in the European Council should make an impact on the strategic agenda and election of the new EU leadership.

PSOE’s (S&D) stronger than anticipated performance in **Spain** in April and a high likelihood of a minority government with Podemos (GUE) support is likely to be replicated in **Portugal**, where their Socialist Party is poised to stay in power with a confidence and supply agreement with the leftists. And, despite the many troubles of their government, the Labour Party (S&D) in **Malta** maintains a hefty lead over the Nationalists (EPP). With the **Greek** Prime Minister Alexis Tsipras attending PES meetings and his Syriza party (GUE) potentially joining the S&D, Southern Europe (apart from Italy) could become another stronghold for the Socialists. The strength of the southern Socialists is manifested in the PES decision to appoint the acting Spanish Prime Minister Pedro Sanchez as their chief negotiator for the formation of EU institutions.

THE IMPACT ON THE SPITZENKANDIDATEN PROCESS

The lack of a clear winner in the European elections, fragmentation of the European Parliament and the groups, as well as the Council, could complicate and delay the institutional formation this summer. The very fact that Council President Tusk called an extraordinary meeting of the EUCO for 28 May signifies a sense of urgency and a desire of Member States to drive the process.

Weakened cohesion of the Parliament, combined with inconclusive results marked by substantial losses of both the EPP and the S&D, could give Heads of State and Government an additional argument to drop the *Spitzenkandidaten* process and look for a compromise candidate instead. Despite losing much of its clout, the EPP will remain the largest group in the Parliament and have the most EUCO members (9-10/27, depending on the results of the presidential election in Lithuania on 26 May where EPP candidate is in the second round). It is therefore no surprise that the names of potential *Kompromiskandidaten* mainly come from this political family. EU Brexit negotiator Michel Barnier remains the frontrunner in this category, but IMF head Christine Lagarde, former Commission Vice-President and World Bank CEO Christalina Georgieva, as well as the outgoing Lithuanian President Dalia Grybaskaite are also among the contenders.