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With only a few days to go before the May 2019 European Parliament elections, we look at what economic observers see as the main stakes of these elections, and provide guidelines for understanding the events that will follow (formation of European political groups and nomination of the Commission's President and commissioners) until the investiture of the next European Commission expected on 1 November.

At stake: Europe's image and the balance of power

For most observers, including economists, the European elections are seen above all as a kind of political health report conducted simultaneously in all of the European Union member countries. Though still a model of democratic stability at the global level, Europe is nonetheless wracked by various tensions, which though not specifically European, are nonetheless very real. Regional separatist movements persist and are even prospering in several EU member states. The segmentation of the political landscape is continuing pretty much everywhere, with regular episodes of deadlock or the erosion of political power (parliaments without a majority, coalitions, minority governments, early elections...). Lastly, political movements hostile to the European Union and/or the single currency can be found in most of the member states, and it is still much too early to know what impact Brexit will eventually have on these political currents. In this environment, many observers see the election as a way to measure the scope of these trends, and wonder just how strong and widespread the rise of extremist, nationalist or Eurosceptic parties or political movements will be, and whether they will become more influential.

Looking beyond this message, the European elections can also be seen as a real power struggle for the European institutions. Granted, the European Parliament is probably the branch of the European institutional triangle (alongside the European Commission and the

Council of the European Union) that is least understood by the general public. Paradoxically, members of the European Parliament (MEPs) are elected directly through proportional elections held in each EU member state, which makes it the key moment of democracy in action in the EU's institutional cycle. Moreover, the European Parliament's role is far from anecdotal. The Lisbon Treaty strengthened its legislative powers, and the co-decision procedure is now widely used¹. Its power could grow even further in the future if rather large-scale institutional reforms are implemented one day in the EU or the eurozone. The European Parliament also has powers of scrutiny over the executive and the powers in the appointment process of several high level European leaders. Some of these powers will be exercised in the months ahead since the European elections mark the beginning of the process of renewing European institutions, including the investiture of the new European Commission and the definition of its legislative programme by the Commission's president.

Seen in this light, the balance of power in the hemicycle after the elections is bound to have an impact on the EU's functioning during the next legislature. The election results will also send a message to the executives of each member state about their own citizens' opinions on Europe and European issues, and on the EU's main trading partners. This message is bound to play a role, in both Brussels and in the national capitals, in calibrating their European ambitions.

¹ In the European institutional triangle, the European Commission has a monopoly on legislative proposals, i.e. it alone has the power to issue proposals for directives and regulations. The European Parliament and the Council of the European Union share the power to vote on these legislative acts. Following the reforms introduced by the Lisbon Treaty, the ordinary legislative procedure, called co-decision, gives equal weight to the Council of the European Union and the European Parliament. The same terms must be used by both institutions when voting on legislative proposals. It is used for the vast majority (in number) of European directives and regulations.



Box 1: The election process

European parliamentary elections will be held between 23 and 26 May in the 28 EU member states.

Each member state will hold a one-round election with proportional representation. Some differences exist in terms of voting methods. In Ireland, Belgium and Italy, the countries are divided into major constituencies with regional lists. This used to be the case in France from 2004 to 2014, but following the 2018 reform, national lists will be used in French elections, as is the case in most of the other member states. Fourteen member states, including France, have set obligatory minimum thresholds to avoid an onslaught of very small parties. This threshold is often 5% (as in France) or lower.

Some member states will hold other elections at the same time, such as federal and regional elections in Belgium and municipal elections in Spain.

The principle of degressive proportionality

In the previous legislature (2014-2019), the European Parliament was comprised of 751 MEP. After the probable departure of the UK, the number of seats will be reduced to 705. The following table shows the breakdown of the seats under both scenarios (before and after Brexit), as well as the number of inhabitants per MEP for each EU member state.

The distribution of MEPs by country is based on the principle of degressive proportionality: each country is given a certain number of seats based on the size of its population, but with a factor reducing the difference in representation between the big and small member states. Designed to increase the representation of the least populated territories, this is a common feature in modern democracies.

In the EU, the citizens of the smaller member states have greater representation relative to those in the bigger states. In the next legislature, each of the 6 MEPs from Malta will represent about 79,000 citizens, compared to nearly 863,000 for each of the 96 German MEPs. On average, one MEP will represent about 705,000 inhabitants.

A new allocation of seats after Brexit

Once Brexit is implemented, the UK will vacate 73 MEP seats. For some time, the leaders of the remaining 27 countries have agreed to re-allocate the seats as follows: of the UK's 73 seats, 46 will be vacated and placed in a reserve for any new member states who might join in the future. The remaining 27 seats will be redistributed to adjust the number of seats, primarily to take into account demographic trends. France and Spain will receive 5 seats each; Italy and the Netherlands, 3 seats; and Ireland, 2 seats. The remaining seats will be allocated to the smaller member states.

Number of Parliament members per country

	EU-28	Inhabitants per MEP (‘000)	EU-27	Re- allocation of seats after Brexit	Inhabitants per MEP (‘000)
Germany	96	863	96		863
France	74	908	79	5	851
UK	73	907	0	-73	-
Italy	73	829	76	3	796
Spain	54	864	59	5	791
Poland	51	745	52	1	730
Romania	32	610	33	1	592
Netherlands	26	658	29	3	590
Belgium	21	543	21		543
Greece	21	511	21		511
Czech Rep.	21	505	21		505
Portugal	21	490	21		490
Sweden	20	506	21	1	482
Hungary	21	466	21		466
Austria	18	490	19	1	464
Bulgaria	17	415	17		415
Denmark	13	445	14	1	413
Finland	13	424	14	1	394
Slovakia	13	419	14	1	389
Ireland	11	440	13	2	372
Croatia	11	373	12	1	342
Lithuania	11	255	11		255
Slovenia	8	258	8		258
Latvia	8	242	8		242
Estonia	6	220	7	1	188
Cyprus	6	144	6		144
Luxembourg	6	100	6		100
Malta	6	79	6		79
EU	751	683	705	-46	727

Unsurprisingly, the UK's departure will increase the eurozone's weight within the EU, and thus within the European Parliament. Eurozone members will receive 21 of the 27 seats reallocated after Brexit. In the end, eurozone MEPs will represent 65% of the European population, with 69% of parliamentary voting rights. The six biggest eurozone member states will now be able to form a majority in the European parliament, compared to eight in the previous legislature.

With Brexit in limbo, everything is disrupted

Having failed to adopt the Withdrawal Agreement before 22 May 2019, the UK is obliged to hold elections on 26 May to elect its members of the European Parliament (MEPs).

When Theresa May and the European Council reached an agreement on another extension on 10 April, she pledged that as long as Brexit was still pending but not yet effective, the UK MEPs would not intervene in any major European decisions, particularly those concerning nominations in the months ahead.

Box 2: European Political Groups

In the European Parliament, MEPs do not sit by national delegation but are grouped according to their political affinity. They are organised into parliamentary groups, to which their respective national parties are affiliated. A group must be comprised of at least 25 MEPs from a minimum of 7 different EU member states. A MEP can only belong to one group, but may change groups over the course of the legislature. MEPs that do not join a group are called "non-affiliated".

In the 2014-2019 legislature, there were 8 European political groups, which are listed below:

European Parliament Group		Majority tendency	Examples of affiliated national parties
GUE/NGL	Confederal group of the European United Left and Nordic Green Left	Extreme left, anti-liberal	Die Linke, Podemos, Syriza, France Insoumise, ...
Greens/EFA	Greens and European Free Alliance	Green left	Green left parties
S&D	Progressive Alliance of Socialists and Democrats in the European Parliament	Socialists, Social Democrats	European socialist parties, including the UK Labour party
ADLE	Alliance of Democrats and Liberals for Europe	Democrats, Liberals	Centrist and liberal parties including the FDP, Ciudadanos, Modem, the Lib-Dems...
EPP	European People's Party	Conservatives, Christian Democrats	Most of Europe's conservative parties
ECR	European Conservatives and Reformists	Conservatives, anti-federalists	UK Tories, Law and Justice, Debout la France, N-VA...
EFDD	Europe of Freedom and Direct Democracy	Sovereignist, Eurosceptic	Five Star Movement, UKIP, Swedish Democrats, AfD...
ENF	Europe of Nations and Freedom	Extreme right, Eurosceptic	Lega, RN, FPÖ, Vlaams Belang, ...
NA	Non-affiliated		

In the next legislature, these political groups will not necessarily be renewed automatically in their current scope. New entrants will also have to be taken into account. The projections used in this article (see footnote 3 on page 5) try to anticipate these movements and make several assumptions, which might not prove to be accurate.

ALDE & LREM	La République en Marche (LREM) would form an alliance with the centrists and liberal groups to form a political group close to the current ALDE group, expanded to include the French president's party
SALV. & allies (ex ENL)	The ENF group could be expanded to include several parties with whom Matteo Salvini has proposed an alliance, notably AfD
NEW & NA	The EFDD group could not be renewed. UK MEPS from UKIP/Brexit Party are included as non-affiliated/new entrants in the following projections
5* & allies	The Five Star Movement is seeking to form a new group, although it remains to be seen whether it can meet the size and nationality requirements.

In practice, however, the prime minister will not have the power to impose neutrality on British MEPs, some of whom may continue to believe that the solution to the Brexit political crisis is to be found in further negotiations with European leaders in Brussels. Moreover, at a time when the outcome of Brexit negotiations is still completely open ended, we cannot rule out the possibility that the presence of UK MEPs might be extended further, either because Brexit never happens, or because the current deadline (31 October) is pushed back again.

For greater clarification, we will first describe the general voting trends and their implications for the composition of parliament without the UK MEPs (including the reallocation of seats described in box 2). Chart 2 shows the hemicycle that would meet in Brussels once Brexit becomes effective, assuming the British reach an agreement after 22 May. The second part of this article will look at how the UK's participation in the election changes these projections. Chart 3 shows the hemicycle that would take office next July, assuming elections are held in the UK and as long as Brexit does not occur.

Greater political segmentation and the consolidation of Eurosceptic parties

First, we must begin by describing the hemicycle that prevailed in the legislature that just ended.

During the 2014 elections, in the aftermath of the economic crisis and the eurozone sovereign debt crisis, observers already feared a surge in Eurosceptic protest votes at the political extremes. This proved to be true in many member states, notably France and the UK, where the Front National and UKIP parties came first in the 2014 polls. Although this upsurge did not really endanger the hegemony of the mainstream political groups – the conservatives (EPP), the Social Democrats (S&D), the centrists and liberals (ALDE) and the Green Party, which have formed most of the parliamentary majorities in the past – it did weaken their domination. Even so, in the legislature that just closed, the PPE and S&D together held more than 54% of the seats in Parliament (see chart 1). If we include the ALDE and Green MEPs, they held nearly 70% of the parliamentary vote².

For several months now, despite shifts in voting intentions and the uncertainty associated with available projections, it seems clear that the upcoming elections will largely amplify this trend. Chart 2 presents an estimate of the breakdown of parliamentary members by political group. These projections, which run through 6 May 2019 for the purposes of this study, were conducted by the *Poll of Polls* and *Politico* by aggregating the results of numerous opinion polls and surveys conducted in various EU member states³.

² A number of MEPs changed political groups and even parties during the legislature that just closed, albeit without calling into question the overall balance of power. In this article, the 2014-2019 legislature refers to Parliament's composition at 7 January 2019.

³ See <https://www.politico.eu/2019-european-elections/> for the breakdown of these projections by country and political party as well as the methodology and assumptions used.

Outgoing European Parliament

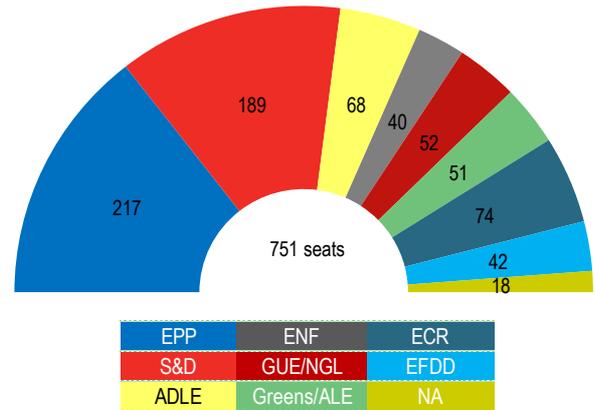


Chart 1

Source: BNP Paribas based on European Parliament data

Projection of the next Parliament, after Brexit

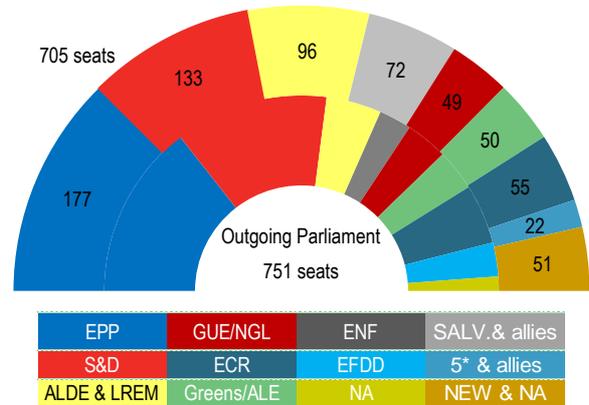


Chart 2

Source: BNP Paribas based on European Parliament data

According to these projections, which assume the UK will not participate in the European elections, the EPP and S&D parties might well account for only 44% of the MEPs after the elections (down 10 percentage point compared to the outgoing parliament), and less than 65% including ALDE and the Greens (-5 percentage points). GUE/NGL, the extreme left group, is expected to maintain roughly the same weighting (about 7% of MEPs). It is harder to predict the situation of the nationalist, Eurosceptic and sovereigntist groups, since they are in the midst of restructuring (see below). If we simply add the estimates for the ECR group (minus the Tories assuming the UK leaves the EU) with those likely to join forces with Matteo Salvini's party, on the one hand, and the 5-star movement, on the other, at first sight it would seem that these group's would have the same weighting both before and after the

elections (a little more than 20 seats). Yet this does not take into account the MEPs that are currently non-affiliated (more than 7% of seats), the vast majority of which are likely to join one of these groups in the weeks following the elections.

On the whole, we draw five key conclusions from these projections:

1. Following the 26 May election, the EPP is likely to remain the largest political group in parliament, despite a sharp decline in seats;
2. The election is also expected to confirm the decline in the influence of the mainstream parties, especially the Conservatives and Social Democrats. Together, the EPP and S&D political groups will no longer account for more than 50% of parliamentary votes. At least a triparty alliance will be necessary to pass legislation.
3. ALDE, the political group of centrists and liberals, is expected to become the third largest group in parliament, especially with a surge in MEPs from the French *La République en Marche* (LREM) and the Spanish *Ciudadanos*. ALDE clearly hopes to play a pivotal role in the next legislature by becoming the main support group for building majorities.
4. There will be a real surge in Eurosceptic and sovereigntist MEPs, although it is still hard to evaluate its size given the wide dispersion of parties involved, the parties' mobility within political groups and the number of new entrants.
5. In any case, it is extremely likely that the political group formed around Matteo Salvini's party whose biggest delegations are Italian (Northern League) and French (*Rassemblement National, ex-FN*), would by far become the main nationalist group, and the fourth largest political group in the European parliament.

London fog

How would this political landscape change if the UK were to participate in the European elections?

At first sight, the estimates presented in chart 3 would seem to suggest that the UK's participation would not fundamentally change the overall balance of power. Actually, the UK election would have several divergent effects on the outcome. There is a structural effect since the UK seats would no longer be reallocated⁴. This reallocation would have benefited countries like France and Italy, where the nationalist parties that made up the ENF group are enjoying strong momentum. Second, there is a composition effect since the UK conservatives (Tories) were part of the ECR (European Conservatives and Reformists), and not

⁴ The member states that would have benefited from the redistribution of some of the UK seats at the time of Brexit, especially France and Spain with 5 seats each, and Italy and the Netherlands, with 3 seats each, would not benefit from the reallocation, at least not at first.

members of the EPP group like their counterparts in the other member states. Third, there is the impact of the expected results of the UK election⁵. From this perspective, polls clearly show the strong momentum of Nigel Farage's Brexit Party, on the one hand, and the Liberal Democrats on the other, to the detriment of Labour and especially the Tories. All in all, we currently expect about a third of the UK vote to go to overtly pro-Brexit parties (Brexit Party, UKIP), a third to the pro-European parties (Change UK, Lib Dems, Greens and the SNP) and the remaining third to the Tories and Labour.

Projection of the next European Parliament, with UK elections

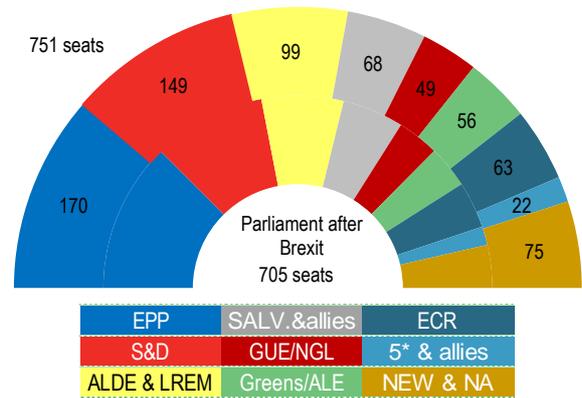


Chart 3 Source: BNP Paribas based on European Parliament data

This breakdown of voting intentions can hardly be said to help British politicians reach a solution to the Brexit crisis. Yet in terms of the composition of the European Parliament⁶, it is worth noting that these voting intentions suggest a more pro-European delegation of British MEPs than in the 2014-2019 legislature, with a decline in the number of MEPs for the Conservatives (ECR group), UKIP and the Brexit Party (non-affiliated), essentially in favour of the Lib Dems, Greens and Change UK⁷.

The aggregated impact of these various effects is complex and hard to decipher, but we would like to draw two additional conclusions that seem to be important:

6. Within the galaxy of nationalist and Eurosceptic MEPs, the UK's participation in the election should weaken the dominant role played by the ENF group, first by reducing slightly the number of MEPs from the National Rally (RN, formerly FN) and the Northern League, and second by clearly strengthening the number of Eurosceptic MEPs that do not want to align with the ENF and are more likely to join other groups;

⁵We advise caution, however, because British voting intentions are still changing rapidly in the few days left before the election, more so than in other countries.

⁶ Contrary to what the polls seem to be suggesting about the current momentum of the new "Brexit Party".

⁷ Change UK is comprised of former Conservative and Labour MPs who favour remaining in the EU.

7. Within the mainstream bloc, the presence of UK MEPs will reduce the PPE's lead over the S&D since the UK Labour party is a member of the latter group. All other factors being the same, however, this shift is unlikely to jeopardise the leading position of the EPP group. Yet all observers have noted that the expected gap between the two groups would be much smaller (about 20 seats), roughly the same size as the EPP's Hungarian delegation, which at one point risked exclusion.

And then what?

Immediately after the elections, two subjects will dominate European discussions: 1) the nomination of the leaders of the European institutions and 2) the formation of political groups within the European Parliament.

Who will be president of the European Commission?

The European Parliament elections are actually the starting point for a vast renewal process of European political leaders⁸. In chronological order, the first to be named will be the president of the European Commission, the president of the European Parliament, and then the College of Commissioners as a whole, from which will be designated the First Vice-President and the High Representative for Foreign Affairs and Security Policy. The mandates of the ECB president and the president of the European Council will also expire this year, in October and November, respectively.

In practice, the nominations to head the Commission and the European Central Bank (ECB) are crucial for the member states, given the influence these positions have on the European policies that will be implemented in the years ahead. Given the close scheduling of these two nominations, the heads of state — especially those in the eurozone — will naturally adopt a more strategic horse-trading approach to these two posts. We should keep in mind, however, that even though Council is totally sovereign in the nomination of the ECB president⁹, this is not the case for the Commission president.

The Spitzenkandidat (lead candidate) system exposes the Parliament's stronger role

Since the Lisbon Treaty took effect, the Commission president is appointed based on a proposal by the European Council, on condition that the European Parliament approves the nomination by a majority vote. The *Spitzenkandidat* or lead candidate system, first used in 2014,

was designed to boost Parliament's political clout with respect to the Council: prior to the election, the European political groups pledged to approve only the lead candidate of the political group that wins the election¹⁰.

In 2014, there was a broad consensus within Parliament to support this process, even though a simple understanding between the PPE and S&D political groups would have sufficed, since together they held a majority of seats at the time. Moreover, this agreement prevailed even though the process was virtually the same as handing over the nomination to the head of the EPP conservative party's list, which structurally dominates European polls. Several heads of government expressed opposition to the *Spitzenkandidat* process, arguing that the spirit of the law was not to hand over power to the European Parliament to choose the Commission president. Even so, the unity between the EPP and the S&D seemed hard to break at the time. In the end, Angela Merkel was the first to give way to this "demand for democracy", which was strongly favoured by public opinion, and the rest of the Council quickly followed her lead, which opened the door to the nomination of Jean-Claude Juncker.

Today the situation is more complicated

Several factors have come together this year to make the situation much more complicated: although it will certainly be possible, it could be harder to appoint Manfred Weber, the German PPE candidate, to head the Commission.

First, there is the question of parliamentary support. As we pointed out earlier, the elections will probably mark the end of a situation in which the PPE and S&D dominated the nomination process, since together they could assure a majority, assuming they reached a broad agreement¹¹. This domination was reflected in the equilibrium of appointments¹².

In the future, the two groups will have to build a broader majority, notably with support from the centrist ALDE group and even the ecology group (Greens/ALE), which should make the negotiation process much more complex. These support groups, and ALDE in particular, hope that their pivotal role will pay off during the series of nominations that follow the elections. Seen in this light, the MEPs themselves are likely to show less support for the *Spitzenkandidat* system. There has already been a semantic shift: the process is now understood to mean that one of the *Spitzenkandidaten* or lead candidates would be nominated, not necessarily the head of the list of the group that wins the elections, but the head of the list of a majority coalition that is formed after the elections.

⁸ By "European" we mean the supranational sense of the term. The members of the Council, i.e. the heads of state of each member country, do not change, of course, which lends greater continuity to the EU's political direction.

⁹ The ECB president is elected by a qualified majority vote of the heads of state and governments of the eurozone after a simple consultation of the European Parliament and the Board of Governors.

¹⁰ Although there are no transnational lists, in practice, each group designates a candidate. This year the ecologists (Greens/ALE) presented two candidates and the liberals (ALDE) a list of four names from which the Council could choose.

¹¹ Assuming there are no major defections of a country's MEPs, for example.

¹² Throughout the legislature, Jean Claude Juncker (EPP) was seconded by a First Vice-President (F. Timmermans) and a High Representative (F. Mogherini) from the S&D group. Between 2014 and 2019, Parliament had two presidents, Martin Schulz (S&D) and then A. Tajani (EPP). Donald Tusk is also a EPP member.



As to the heads of state and governments, some hope to use this opening to call the whole process into question. To achieve this, the Council members would still have to reach an agreement between themselves on one name. In addition to the stakes at hand, there can be no doubt but that the negotiations between heads of state have become much tougher in recent years. The most recent example was the decision to postpone Brexit, over which greater divergences were expressed than usual. Donald Tusk has already warned that if the Council can't reach a consensus, then he is prepared to hold a qualified majority vote, which would be a first¹³.

Another factor is likely to complicate the nomination of Manfred Weber: the presence of serious alternative candidates, who are likely to receive the support of certain political groups and heads of state, and who have a higher profile in European public opinion than the Bavarian politician. The most frequently mentioned names are Michel Barnier, a French PPE member and the EU's lead negotiator for Brexit, and Margrethe Vestager, the European Commissioner of Competition and member of the Danish Social Liberal party (an ALDE affiliate).

Between the need to find a successor for Mario Draghi, the battle to form alliances in the European Parliament and French-German disagreements, the situation could rapidly become a real can of worms. At this point, all options still seem to be open, including the emergence of a last-minute candidate or deadlocked negotiations, which would delay the entire nomination process.

Formation of political groups

While the heads of government are meeting under the direction of Donald Tusk to find a replacement for Jean-Claude Juncker, the newly elected parliament will be busy with the task of forming European political groups. There are restrictions to the formation of a group, which must have at least 25 MEPs from a minimum of 7 nationalities. Belonging to a group, and its size, are strategically important for having influence within the parliamentary commissions.

What is the scope of the European People's Party (EPP)?

There is expected to be very little movement within the "mainstream" political groups. The various European political parties making up the political groups should remain rather stable, and none of the groups are threatened by a lack of representativeness. The biggest question is whether the Fidesz party of the Hungarian Prime Minister Viktor Orbán will continue to be a member of the conservative EPP group. After the elections, this question could be raised again, either by certain EPP leaders or by the Hungarian prime minister himself. It could become an issue following the elections, if the departure of the Hungarian delegation risks calling into question the numeric domination of the EPP over the S&D.

¹³ In the past, when a decision had to be adopted by a qualified majority, the Council members would officially adopt it through consensus as a show of unity.

Box 3: European Calendar

June – formation of European Political Groups in Parliament: negotiations over the formation of political groups (affiliation of new parties, eventual switches from one group to another) should be in full swing by **Parliament's inaugural session scheduled for 2 July**.

July – nomination of the Commission President: Officially, the European Council makes the first step by proposing a name to Parliament, which must then approve it by a majority vote. In practice, however, there are bound to be complicated "negotiations" within the Council and within Parliament, as well as between the two institutions. Statements after the summit meeting in Sibiu, Romania in early May confirmed that Donald Tusk, whose term ends in November 2019, has been mandated by the Council to lead the negotiations with member states and with the MEPs. He will call a **meeting of the heads of State as of 28 May** to launch the negotiation process within the Council based on the results of the European elections.

The Council's goal is to propose a name during the **20-21 June European Summit**. If an agreement can be reached, then Parliament could approve the choice during a plenary session in July.

August-September – designation of Commissioners: assuming there is no stalemate over the appointment of the president, the next European Commission will be set up with the designation of one commissioner for each member state. The president presents his proposal for the distribution of portfolios, and Parliament holds confirmation hearings on the commissioners.

October-November – investiture of the Commission: Parliament votes to approve the entire College of Commissioners before the investiture of the new Commission.

Possible alliances between nationalist parties

The political parties in the galaxy of the Eurosceptic right are likely to create the most fervour concerning the formation of political groups. Given their size, the big challenge for some of these parties will be to meet the representativeness requirements (number of seats and nationalities). In the past, they have had a hard time aggregating into relatively large political groups for both strategic reasons (each major party seeks to federate the others around themselves) and fundamental divergences, (Euroscepticism is only one part of their ideology). As a study by the Robert Schuman Foundation points out¹⁴, there were numerous defections from these groups over the course of the previous legislature, especially between the EFFD and ENF groups.

¹⁴ *Review of the 8th legislature of the European Parliament*, European Issues n°512, 23 April 2019



From this perspective, as long as the UK was not expected to participate in the European elections, the EFFD group seemed to be clearly endangered, due to the programmed departure of the pro-Brexit UK MEPs and the determination of the Five Star Movement's leaders to quit the group and join or create an anti-establishment group that was not opposed to the single currency¹⁵. This transition could be delayed by the presence of a major delegation of UK Brexiter MEPs after the election, curbing somewhat the ambitions of the group organized around Matteo Salvini and the ENF to become the main centre of attraction for the nationalist right. The German MEPs of the AfD party, who participated in the creation of the EFFD in 2014, are now allied with Matteo Salvini, and should comprise the group's third largest delegation (after the French and the Italians).

This study of what is at stake in the European elections is based on projections made using polls conducted in early May 2019. There are bound to be some surprises in the elections at the national level, but at the aggregate level for the EU-28, these errors and fluctuations should partially cancel each other out. All in all, the major trends highlighted in recent polls, in so far as they are significant, are unlikely to be proven wrong, and we can already begin to explore some of the possible or probable consequences of these elections.

First, the elections are likely to signal another decline in the mainstream parties' position within the European Parliament hemicycle, which means the EPP and S&D will have to build broader majorities than in the past to pass legislation. Despite Brussels' well-established and widely shared culture of compromise, the political groups that are likely to play unavoidable supporting roles clearly intend to use their pivotal position to create leverage. The group of centrists and liberals (ALDE), in particular, hopes to play a key role. It is uncertain that this will be the case, however, since some of its main national players are losing steam on the eve of the elections. Their clout will be revealed in the balance of power reflected in the distribution of the main European posts in the weeks ahead. In the short term, certain European Council members are also hoping to take advantage of the internal strife within Parliament to halt the *Spitzenkandidat* process, which enforcement supposes that the power struggle between Parliament and the Council is more important than that between the European political groups. Nonetheless, over the course of the legislature, it is hard to predict which of these tensions will win the upper hand. Despite a more open political arena, will the main political groups maintain a united front to be stronger in the face of the European Commission and Council? Or to the contrary, will greater political segmentation erode Parliament's weight within the European institutions over the long term?

Second question: will these elections mark a turning point as greater influence is given to the nationalist and sovereigntist political currents in conducting European policies? In the past, we could answer no, due to

the lack of cohesion between these groups and their fundamental divergences. Of course, numerous fracture lines still exist between these factions. Some have very liberal economic doctrines while others are much more interventionist. Similarly, the geographic location of each member state often explains their positions on immigration and the Dublin Regulation, or towards Russia and NATO. This is still true and will probably continue to be a factor behind the segmentation of positions. In the weeks ahead we will see whether a group can emerge with stronger attractive powers than the others, centred on the alliance that Matteo Salvini is trying to create and the Europe of Nations and Freedoms group. Moreover, by abandoning the question of remaining in the EU or the eurozone, these parties have managed to shape public debate more than in the past on their main themes, not their opinions: notably on economic and territorial sovereignty. They have thus won the current round in the battle of ideas. Lastly, we shouldn't forget that several of these parties belong to the coalitions in power. Their influence can thus be exercised directly at the executive level and in the Council. Lastly, the investiture of the Commission is likely to see the first power struggles, when Parliament holds confirmation hearings on each European commissioner nominated by a member state. Parliament has real power over this process, since the Commission's composition as a whole must be approved by a majority vote in the European Parliament.

One last area of reflection concerns Brexit. Obviously, the fundamental question is whether the UK MEPs' participation will be sustained over time. As we have seen, numerically, their presence alone is not enough to disrupt the major equilibriums within the European Parliament. Yet it could erode somewhat the relative positions of the EPP and the ENF, by strengthening an alternative right-wing anti-European group. Another question is whether the outcome of the elections will enable British politicians to exert new influence over Brexit negotiations. In parliament, as we have pointed out, this is not very probable given the isolation of UK MEPS within the hemicycle. Theresa May has pledged that UK MEPs would not interfere in the nomination process that lies ahead for the main European posts, nor in the negotiations over the next fiscal framework. Yet the Brexit saga does not seem to be over yet.

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¹⁵ As it is no longer demanding a referendum on Italy's adherence to the single currency, the 5-Star movement wanted to leave the EFFD group and join ALDE in January 2017, but the ALDE MEPS refused.

Box 4: Voter participation continues to dwindle

Since the first European elections, the voter participation rate has declined continuously from 62% in 1979 to 42.6% in 2014. Granted, this trend is partially due to the integration of countries with average voter participation rates that were lower than those of the historical EU members after the wave of EU enlargement in 2004 and beyond. In the vast majority of countries, however, voter participation is nonetheless on a downward trend. Over a 20-year period, for example, the voter participation rate has fallen from 52.7% in 1994 to 42.4% in 2014 in France, from 60% to 48.1% in Germany and from 73.6% to 57.2% in Italy...

Participation rate in the 2014 European elections

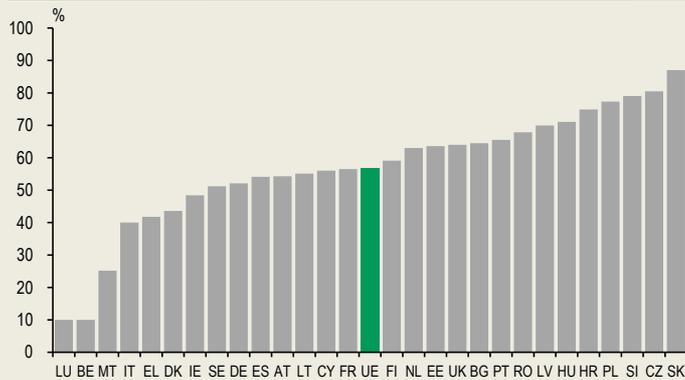


Chart 4

Source: European Parliament

Participation rate to European elections



Chart 5

Source: European Parliament

Box 5: European sentiment as Brexit looms

The European Parliament regularly conducts surveys to measure public opinion towards European issues in each of the EU member states. From this point of view, the latest Eurobarometer survey results published in April 2019 are clearly upbeat. The percentage of respondents who esteem that belonging to the EU is a good thing began to rise in 2017 and has held above 60% for the past year, the highest score since 1992. As always in these surveys, there is a wide disparity between countries. Favourable scores exceed 75% in the northern EU: Germany, Luxembourg, the Netherlands, Denmark, Sweden and Ireland. Inversely, less than 40% responded favourably in Croatia, Italy, and the Czech Republic, which is less than the 43% reported in the UK.

Do you think that your country's membership to the EU is...?

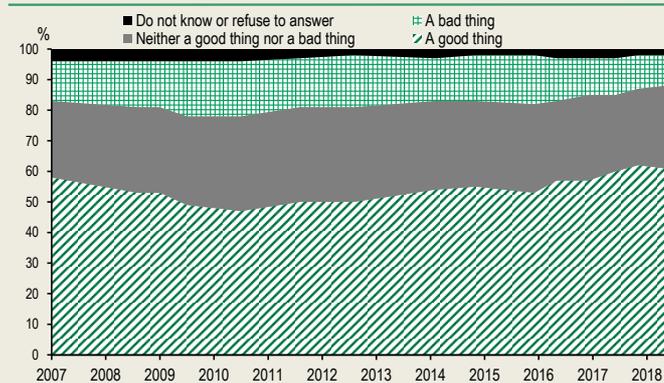


Chart 6

Source: BNP Paribas based on Eurobarometer, April 2019

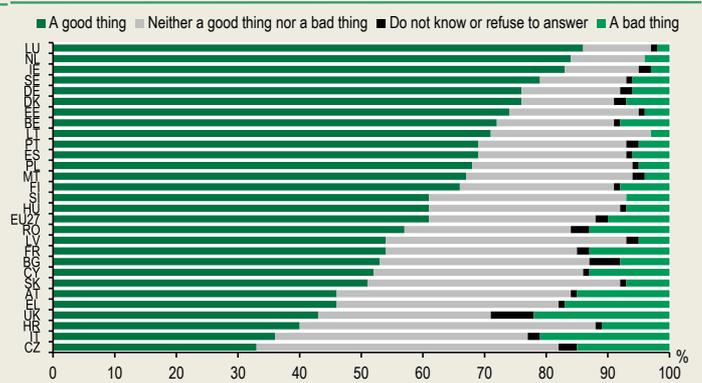


Chart 7

Source: BNP Paribas based on Eurobarometer, April 2019



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