

# Europe nears vote

## A quick guide to the next European Parliament elections

### Banca Promos Investment Banking Desk

**Alessandro Sica**  
Analyst

+39 081 01 70 622  
alessandro.sica@bancapromos.it  
investment.banking@bancapromos.it

**Paolo Cozzolino**  
Managing Supervisor

+39 081 01 70 617  
paolo.cozzolino@bancapromos.it  
pcozzolino2@bloomberg.net

### Preface

From 7 to 10 June **1979**, in the nine Member States of the European Community, the first direct election of the European Parliament (EP) took place. In 1979, about **62%** of those entitled to vote went to the polls. Thirty-five years later (and with 19 more States), during the 2014 European elections, the percentage decreased to **42.61%**.

The decline in **turnout** is probably the symptom of a **growing disaffection of European citizens towards EU institutions**, often perceived as complicated, **excessively bureaucratic**, far from the needs of citizens and at the service of the élites. A phenomenon the EU itself is well aware of, as proved by the "This time I'm voting" campaign, launched in view of the forthcoming elections, in May this year.

Compared to five years ago, **the European political landscape has changed significantly**. **The Italian case** teaches: following the political election in March 2018 a (hardly predictable) coalition government was created by two populist forces critical of Europe (and of the euro), the **Five Star Movement** and the **League**. The subsequent clash with the European Commission on the budget maneuver for 2019 has had serious consequences on the Italian sovereign bond market as well as on shares and bonds of Italian issuers (especially banks).

In the face of similar, more or less marked, political dynamics in **other European countries** (Austria, France, Germany, Greece, Hungary, the Netherlands, Poland, Sweden), **it is reasonable to expect**, even within the EP, **a strengthening** of the weight of parties with **anti-EU, no-euro** or **xenophobic** platforms, together with a decline in traditional forces, such as the European People's Party (EPP) and Socialists and Democrats (S&D), which could lose the absolute majority of seats.

It is not clear whether the EU-critical parties will be able to form a **pan-European nationalist front** (apparently an oxymoron) by smoothing their respective ideological differences. Certainly, attempts in this direction are not lacking: in the summer of 2018, speaking at his party's meeting in Pontida (Italy), **Matteo Salvini** called for the creation of a "**League of the Leagues of Europe**, bringing together all the free and sovereign movements that want to defend their people and their borders."

More recently, **Claudio Borghi** (League), Chairman of the Budget Committee of the Italian lower house, **extended this invitation to the 5SM**. The latter has **so far declined** and has announced an alternative alliance (however, it will need at least two more parties, from five now, to form a Group in the EP).

In this tumultuous context, several questions arise. **What consequences will the strengthening of populist and nationalist movements** have within the new EP? How will these parties influence the next stages of the European project, from the appointment of the successors of **Jean-Claude Juncker** and **Mario Draghi** to the approval of the next EU budget? And above all, after all, **what exactly does the European Parliament do?**

Hence the need for a **guide** to accompany voters and financiers in the meanders of the European Parliament, its powers and functions, the polls and experts' opinions.

### Key EU incoming dates

#### 2019

##### March

Start of electoral campaign

##### March 29

Exit of the UK from the EU

##### April 18

Last session of outgoing EP

##### April-May

Lead candidates debates

##### May 23-26

EP elections

##### May 31

End of mandate: Peter Praet (ECB Chief Economist)

##### July 2

Inaugural plenary session of new EP

##### July

Election of the President of the Commission by the EP

##### August-September

Hearings by the EP committees of the Commissioners-designate

##### October-November

Vote by the EP on the new Commission

##### October 31

End of mandate: Mario Draghi (ECB President)

##### November 30

End of mandate: Donald Tusk (European Council President)

##### December 31

End of mandate: Benoît Cœuré (ECB Executive Board)

#### 2020

##### June

End of mandate: Mário Centeno (Eurogroup President)

Source: European Parliament, ECB

## The European elections

From **23 to 26 May 2019**, around **400 million EU citizens** will be **asked to choose their representatives** in the European Parliament, the only institution in the European Union with a **direct popular election**.

**The EP is elected by universal suffrage every five years.** That of 2019 will be the ninth direct election of its history.

In 21 out of 27 Member States (including Italy) the vote will be held on **Sunday May 26**. Only in Ireland, Latvia, Malta, the Netherlands, Slovakia and the Czech Republic the vote is set in one (or more) of the previous three days.

The last session of the outgoing Parliament will be held on **April 18**, a month and a half after the start of the electoral campaign and roughly at the same time of the debates among the presidential candidates for the European Commission. **The inaugural plenary session of the newly elected EP is scheduled for July 2.**

## The European Parliament

**Established in 1962** as Parliament of the EU, the EP articulates its activity across three different cities of the 'Old Continent'. **The official venue** for most of the plenary sessions **is in Strasbourg** (France). **The parliamentary committees** meet in **Brussels** (Belgium), while **the Parliament's Secretariat** has its offices in **Luxembourg**.

**The Assembly**, currently chaired by the Italian Antonio Tajani, **is composed of 751 members** (750 plus the President). **The number of deputies of each country is calculated according to a 'degressive' proportionality mechanism with respect to the population** of each of them. In short, less populous countries have a higher number of seats than they would have according to a principle of proportionality in the strict sense.

With **the exit of the United Kingdom** from the EU (expected, except for surprises, on March 29, 2019) and the consequent non-renewal of 73 British deputies, the number of seats will be reduced to 705. This **will result in the redeployment of 27 seats** in favor of States currently considered underrepresented. **Italy**, for example, **will get 3 more deputies** (shifting from 73 to 76), **France** and **Spain** will get **5 more MEPs**, while **Germany will remain at 96**.

## The functions of the EP

The European Parliament exercises its functions in **3 main areas: legislation, supervision and budget**.

- The EP has the power to **approve and amend the European legislation** through a wide range of legislative procedures.
- The EP exercises **control over all EU institutions** and ensures the correct implementation of EU laws.
- The EP, together with the Council of the EU, **develops the annual budget of the Union and endorses its long-term budget** (Multiannual Financial Framework).

## Legislative powers

For the purpose of adopting the European legislation, a distinction is made between the **ordinary legislative procedure**, which places the Parliament at the same level as the Council of the EU, and **special legislative procedures**.

Under the **ordinary procedure (codecision)**, the **Parliament and the Council act as co-legislators**: following this procedure, **the majority of EU laws are adopted**, in areas such as **economy, immigration, energy, transport, environment, consumer protection**. The **legislative initiative** always **belongs to the European Commission**, but it is possible for the EP to ask the Commission to present specific legislative proposals. If the latter refuses, it has to explain why.

*The only institution in the EU elected by universal suffrage by 400 million europeans*

*27 States, 3 venues and 705 deputies: after Brexit, Italy will get 3 more MEPs*

*Three European co-legislators: Parliament, Council of the EU, and European Commission*

The **special consultation and consent procedures**, on the other hand, are used in a rather limited number of legislative areas, such as **taxation, competition law and international trade agreements**. In the first case, the Council is not obliged to take the **opinion** of the Parliament into consideration, even though it can not decide before receiving it; in the second case, the **consent** of the EP is required.

### Supervisory powers

The EP elects the **President of the European Commission**, approves the **Commission** as an organ and **can vote a motion of censure, forcing it to resign**. Members of the EP may ask **questions** both to the Commission and to the Council of the EU.

The **Parliament is also consulted** by the European Council **before appointing the members of the ECB Executive Board**.

In this regard, it should be noted that the mandate of the current **ECB President**, Mario Draghi, will expire on October 31, 2019 and that the nationality (and therefore the identity) of his successor is closely linked to the outcome of the European elections and the appointment of the successor of **Jean-Claude Juncker**. In particular, the designation of a German President for the Commission, such as the (favourite) candidate of the EPP, **Manfred Weber**, would exclude from the run for the ECB another German, **Jens Weidmann**, due to the unwritten rule that two such high EU offices can't be attributed to exponents of the same country.

*The appointment of Mario Draghi's successor will pass through Strasbourg*

### Budgetary powers

As summarized by the EP on its own website, "**Parliament decides, together with Council, on the EU's annual budgets**. The annual budgets have to remain within the limits set by the EU's seven-year financial framework. This **long-term budget** needs Parliament's approval to be adopted."

Furthermore, "after the end of each year, **MEPs scrutinize how** the European Commission and **EU countries have spent the money** in order to **decide whether to grant** each institution **discharge**, i.e. final approval of how the budget for a specific year has been implemented."

### The European Commission

In July 2019, the European Parliament will elect the **President of the European Commission**, the executive body of the EU.

The mechanism is that of the "**spitzenkandidaten**" (lead candidates) introduced since the 2014 elections. During the campaign, **each European political party has to indicate its candidate** for President of the Commission. **After the elections, the European Council formally proposes to the EP the candidate of the winning party in order to to elect him/her by absolute majority** of its members (at least 353 votes).

*The EP will have a key role in crafting the new European government*

**Candidates** for the office of **Commissioners** of the European Commission (**one from each Member State**, proposed by the European Council in agreement with the President of the Commission) **are subject to hearings by different parliamentary committees** (depending on their area of competence) that express an evaluation of each candidate. **The whole Commission must then be approved by the Parliament by a simple majority** (majority of the vote cast).

## The current European political groups

### EPP (Christian Democracy)

The European People's Party, which includes **Forza Italia** and the German **CDU/CSU**, is **in favor of providing asylum to political refugees and those fleeing civil wars through a common immigration policy, distinguishing, however, between refugees and migrants** (fight against human trafficking, strengthening of external border security, repatriation of illegally residing migrants).

The Group is inspired by the principle of social market economy, **supports the need for fiscal consolidation** (reduction of unnecessary public spending to avoid overburdening future generations) and wants a **richer and more flexible EU budget** to stimulate growth and investment. The EPP is said to **support** an open, **multilateral, free and fair trade system**.

### S&D (Social Democracy)

The Progressive Alliance of Socialists and Democrats includes, inter alia, the Italian **Partito Democratico** and the socialist parties of France, Germany and Spain. The Group advocates **greater solidarity towards migrants and refugees**, effective but human border-controls, support to **integration into host communities** and a **balanced EU-Africa partnership**.

The economic tagline of the party is "well-being for the many not just profits for the few", i.e. respect for the limits of the planet, trade as a tool to raise social, labour and environmental standards, and focus on investments in social inclusion, **eco-friendly economy** and **reduction of inequalities** within the EU's long-term budget.

### ALDE (Liberalism)

The Alliance of Liberals and Democrats for Europe, expresses itself in support of **international environmental cooperation**, for the **strengthening of the Single Market** in the digital sector and the **promotion of free trade**. With reference to EU budget and finances, ALDE proposes more investments in education and innovation and a better **combination of stability, solidarity and growth**: before discussing 'how much' to spend, liberals would like to discuss 'how' and 'what for'.

The Group promotes **greater labour mobility in the EU** and a **new collective asylum and migration system, based on the revision of the Dublin Regulation** and the establishment of reception centers in countries of transit. The ALDE supports the **definition of a single seat for the EP** (in Brussels) and a **rethinking of the division of competences between the EU and the Member States**.

### ECR (Conservative Liberalism)

ECR, the European political family joined by Giorgia Meloni's **Fratelli d'Italia**, stands for **greater support to Member States to protect their external borders**, removing the abuses of the EU's asylum system, working with third countries to **prevent the departure of migrants and repatriating irregular migrants**.

In the economic field, the Group is **in favor of free trade** and international agreements in order to **remove trade barriers**, but **with an adequate protection from foreign competition** of some European sectors. It is **in favor of more fiscal discipline** as well as respect for the decision by some EU countries not to join the **Euro**.

**European Conservatives and Reformists** want to put an end to the EP's shuttle between Brussels and Strasbourg and eliminate the unnecessary **bureaucracy** weighting on European companies.

## ENF (Right-Wing Populism)

**Europe of Nations and Freedom includes**, among others, the **League of Matteo Salvini**, the **Rassemblement National of Marine Le Pen**, the **Dutch Party for Freedom of Geert Wilders** and the **Freedom Party of Austria**.

The political positions of its member parties range **from the mere project of reforming the EU, the euro and Schengen, to the open will to leave the Union, the single currency and the free movement area (or even the NATO), potentially through referenda.**

There is a transversal consensus within the Group on the need to strengthen the **national sovereignty** of individual Member States and to introduce stricter asylum policies to reduce or stop migratory flows.

## The other Groups

**The populist Confederal Group of the European United Left/Nordic Green Left (GUE/NGL)**, to which the **Syriza** party of the Greek Prime Minister **Alexis Tsipras** belongs, fights for greater security and social solidarity, opposes European **austerity** policies, enhancing diversity and civil rights.

The parliamentary Group of the **Greens/European Free Alliance (Greens/EFA)** is committed to **sustainable economic development**, a peace-oriented foreign policy, attention to gender inequalities and broader democratic participation in political decisions.

Finally, **the eurosceptic Group of Europe of Freedom and Direct Democracy (EFDD)** is sufficiently **heterogeneous in ideological terms** to include as its members **both the Italian Movimento 5 Stelle** and the far-right German party **Alternative für Deutschland**. According to VoteWatch, **the Group voted together only in 48% of cases.**

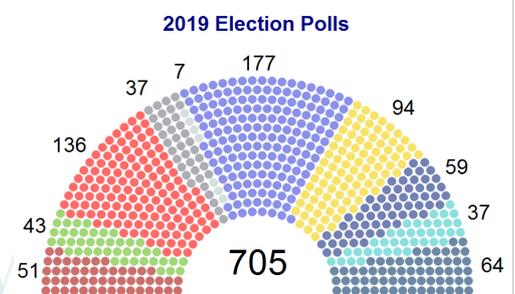
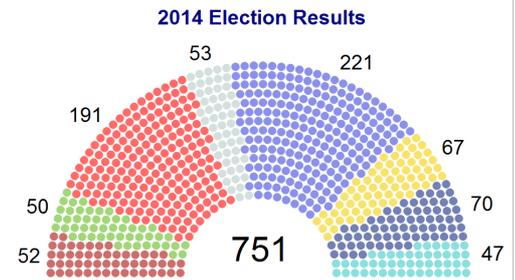
## Polls

According to data reported by **Poll of Polls** - which aggregates at European level the surveys collected by individual national polls - 177 seats out of 705 in the new EP would be assigned to the **European People's Party (EPP)** or **25.11% of the total, down from 29.43% in 2014**. There would be 136 seats allocated to **Socialists and Democrats (S&D)**, **19.29% of seats compared to 25.43% in 2014**. **Jointly, EPP and S&D would represent 44.40% of the hemicycle (from 54.86% in 2014)**. **This percentage would rise to 57.73% taking into account also the contribution of ALDE.**

**The weight of populist (right and left) and eurosceptics parties - i.e., according to the classification of Poll of Polls, ENF, GUE/NGL, EFDD - would rise to 21.56% of seats from 13.18% in 2014. A potential right-wing nationalist coalition, including ENF, ECR and EFDD, would reach 22.70% of the seats.**

**In Italy, the first party would be the League, with 32.62% of the votes (29 seats out of 76 due to the country) followed, with 24.42% of the votes, by the Five Star Movement (22 seats). 15 seats would be assigned to the Partito Democratico, by virtue of 17.55% of voting intentions. Only 7 seats would go to Forza Italia (8.78%) and 3 to Fratelli d'Italia (4.30%), the latter only marginally exceeding the 4% electoral threshold.**

The result clashes with the electoral outcome of **five years ago**, when the **Partito Democratico gathered 40.81% of votes**, thus being able to indicate 31 MEPs out of 73 then due to Italy, **followed by the Five Star Movement (21.15% of the votes and 17 deputies)**. The **League** was, at the time, at 6.15% of the preferences, being able to express only **5 members** of the EP.



Party	2014	2019
GUE/NGL	52	51
Greens/EFA	50	43
S&D	191	136
New Unaffiliated	0	37
Non-Inscrits	53	7
EPP	221	177
ALDE	67	94
ECR	70	59
EFDD	47	37
ENF	0	64

Source: Poll of Polls (02/13/2019)

### The opinion

**Matthew Karnitschnig**, Chief Europe Correspondent of **politico.eu**, is sure that the result of the European elections will **"upend the cozy grand coalition power sharing between the center-right and center-left."** In his pre-vote analysis published last December by the Italian think tank **ISPI** (Italian Institute for International Political Studies), the American journalist, for 15 years reporter and editor of the Wall Street Journal, says that **"populists across Europe, from the right to the left, are expected to strengthen at the expense of established parties"** with **"unknown consequences for the EU."**

First, according to Karnitschnig, **"the EFDD, which in addition to UKIP includes Italy's Five Star Movement, will likely cease to exist because without the British contingent the group won't meet the 25-member threshold necessary to form a formal faction."** The Five Star Movement could therefore start a new parliamentary group, join an existing one or, finally, **remain independent** (the most likely outcome according to Karnitschnig, given the **"eclectic program and views"** of the 5SM, which **"doesn't fit well into any of the existing groups"**).

**"The biggest winners come election day may well end up being the far-right populists of the ENF [the Group that includes Matteo Salvini's League]"** the expert says, **especially in case of alliance with the German party AfD and/or with ECR.** As for the latter, with the exit of the British Conservative Party, it will probably be dominated by Poland's Law and Justice party (PiS), and could therefore reorient itself towards **Eastern Europe.**

**The EP's control should however remain in the hands of the centrist parties, and of the EPP in particular** (given the decline of socialists), **"positioning it to nominate its Spitzenkandidat Manfred Weber as the next Commission president."**

The last 'unknown' would remain that on the effects of the adhesion of **Emmanuel Macron's La Republique En Marche!** to **ALDE.** Karnitschnig's opinion on this point is blunt: **"with the domestic pressures Macron faces at home, it's far from clear his presence on the campaign trail in the coming months, especially in France, will be a positive."**

### Conclusions

The analysis carried out up to this point gives us a more defined picture of the European Parliament and its **role** within the institutional framework of the EU.

Despite the weakening of traditional Europeanist Groups – perhaps favored by (possible but not very probable) 'spills' such as that of the Fidesz party, of the Hungarian Premier **Viktor Orban**, from the EPP – **the most likely post-election scenario remains that of an alliance between EPP, S&D and ALDE** (similar to that of the outgoing Commission), **in order to preserve the absolute majority in the EP.**

Europe is about to elect **an EP** with an uncertain composition but reasonably **more fragmented and critical** of the European institutions themselves. Polls and electoral **forecasts**, albeit not to be ignored, **change constantly**, as well as **the game of alliances between political parties**, that **will remain extremely fluid** in the months to come.

**The expectation is that the system of checks and balances that characterizes the European architecture**, the difficulty in forming stable alliances between non-homogeneous forces and the natural tendency to moderate the most extreme ideological instances as the political responsibility increases, **might act as a buffer against the effects of a potential sovereign and populist 'wave' in Europe**, similarly to what has already happened (at least so far) following the political elections in Italy.

*The complex European institutional set-up and the need for broad alliances could be the main obstacles to the rise of populists*

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