



The 2014 European Elections

Elections to the European Parliament were held across Europe from May 22-25, 2014. The results have been hailed as a political earthquake, with anti-EU and anti-establishment parties performing very well in many member states, and increasing their share of seats in the new Parliament to around a third.¹ Mainstream conservative, socialist and liberal parties did well enough to remain predominant within the Parliament, but at the national level the elections produced a set of apparently momentous results: in Britain the United Kingdom Independence Party (UKIP) and in France the Front National (FN) gained the largest share of votes and seats. Despite the EU's own prominence as an issue in the wake of the Euro crisis, turnout remained disappointingly low at 43%. This brief analyses the election's results across major European states, assessing their likely impact on European governance in the coming years. It argues that the elections mark a sharp indictment of national and European policies, highlighting the pressing need for economic and institutional reform of the Union. They also present an opportunity to implement such reform.

Before turning to analyzing the results, it is important to note that the labels 'Eurosceptic' and 'populist' tend to encompass a wide range of parties with very different political ideologies and attitudes towards the EU. They range from outright neo-fascist parties such as 'Golden Dawn' in Greece to traditional nationalists such as the FN in France and left-wing anti-austerity and anti-establishment movements such as Syriza in Greece or the Five Star Movement in Italy. These parties' goals can vary widely: some want to take their country outside of the EU, others to leave the Euro, others to drastically reform the Union. It must be noted that while the parties explicitly labelled as Eurosceptic tend to be most vocal in their opinions, Euroscepticism is not their prerogative: other political parties in the UK, Poland, Hungary, and elsewhere are also moderately Eurosceptic in outlook.

Explaining the results

The rise of populist and Eurosceptic parties was not uniform across Europe. It would be tempting to think that Eurosceptic parties performed best in those countries hardest hit by the economic crisis, but this interpretation does not offer a complete picture. In fact, countries in difficult economic conditions, such as Greece, Spain, Portugal and Italy saw the rise of anti-austerity left wing parties, who are Eurosceptic in the sense that they sharply oppose the EU's current setup, but not the Union as such. On the other hand, parties explicitly against the EU per se performed strongly not only in France, where the economy is stagnating, but also in countries where economic conditions are better, such as the UK, Denmark and Austria. Moreover, even in Germany the moderately Eurosceptic Alternative für Deutschland (AfD) was able to attract 7% of the vote and thus gain seats in Brussels.

In Eastern Europe, where the EU is an important economic actor in terms of providing structural funds, it could be expected that Eurosceptic parties would perform quite poorly. Yet this was not the case in Hungary, where the ruling conservative Fidesz party is considered Eurosceptic and in Poland, where the moderately Eurosceptic Law and Justice Party came second. More broadly, turnout in Eastern Europe was very disappointing, with a low of 13% in Slovakia. The distinct lack of enthusiasm for the elections in countries that joined the EU 10 years ago can be seen as signs of disillusionment with the Union even in those countries where Eurosceptic parties did not come first.

Reasons behind Eurosceptics' electoral performance were not uniform. In some member states the electorate voted explicitly against European integration, in other cases they voted against current European policies, and in other cases the vote was overwhelmingly dominated by considerations of domestic politics. Britain, France and Italy exemplify these three trends. Aversion to the EU was at the heart of UKIP's performance in the UK. Its success should be seen as an explicit rejection by a large slice of the electorate of the EU and the free movement it entails, with domestic politics having only limited prominence. Indeed UKIP is at the moment seen as a single-issue party: its voters do not want to signal dissatisfaction for government policies other than those concerning the EU.

In other countries, success of Eurosceptic parties was due to a combination of dislike for the EU and disapproval of the government's domestic policies. This was the case in France, where the FN's success can be seen as a result of dissatisfaction with the EU in general combined with the appeal of its anti-immigration rhetoric and the desire to punish the incumbent socialist government for its poor economic record. In Italy, where Eurosceptics performed very well - but poorly in comparison to the government - this was due to the predominance of domestic issues. The anti-systemic 'Five Star Movement' sought to portray the election in national terms and Renzi, the current prime minister, also quietly sought legitimation for his leadership. This means the overwhelming victory of the governing Partito Democratico over its opponents should not be interpreted as a vote in favor of the EU, but as a result of the electorate's desire for government stability: the EU was not the focus of debate during the pre-election campaign. At the same time this implies that only part of the votes gained by the 'Five Star Movement' or the FN can be attributed to their Eurosceptic stance.

It appears clear that in most countries the elections were driven by national concerns combined with a general dislike for the EU: there was no broader debate about the future of the Union as had been hoped. Even parties broadly in favor of the EU tended to avoid mentioning the issue, presumably for fear of scaring voters away. The prominence of national issues in the elections marks the failure to 'Europeanize' the contest. This was despite attempts by the European Parliament to explicitly do so by presenting voters with a choice of candidates for the Presidency of the Commission. The nominees obtained limited public visibility in most of the EU, with the exception of Germany and the Benelux countries, and many national parties refrained from explicitly backing one of them.

On the whole, it is difficult to find a single explanatory variable for the performance of populist parties across the Union. The elections should be seen as the realization of several interconnected trends. Firstly, they mark the rejection of the economic policies pursued by the EU in the

Eurozone. The extent of this rejection is not fully captured by the performance of populist parties: mainstream parties in Italy, Spain, Greece or Portugal have all heavily criticized current economic policies. Votes for mainstream parties in these countries do not therefore indicate an endorsement for the EU's austerity policies, but rather reflect the fear that those solutions proposed by populists may lead to even greater economic pain. It is important to note that the broad indictment of economic policy does not only come from Southern Europe, but also from the Eurozone's core as shown by the performance of the anti-Euro AfD in Germany.

Secondly, the elections mark a broader rejection of the EU by a part of the electorate, with the Union often perceived as an unaccountable out of touch entity whose development voters feel powerless to meaningfully affect. In particular in Britain and France, UKIP and the FN have succeeded in linking the EU's right to free movement with immigration. More broadly, the Union suffers from the perception of being a bureaucratic machine, ever increasing its competencies. All too often, national governments have seen the EU as a convenient scapegoat for the failures of national policies, and the public's resentment towards the Union has grown. In most member states the election marked the defeat of those parties advocating an increase in the powers of the Union.

In fact, an often-overlooked feature of the elections is that Euroscepticism did much better than the performance of explicitly Eurosceptic parties suggests. Centre right and liberal parties from the German Christlich-Soziale Union to the French Union pour un Mouvement Populaire, the Italian Forza Italia, the British Conservatives, the Dutch Volkspartij voor Vrijheid en Democratie, the Belgian Nieuw-Vlaamse Alliantie and many others in Central and Eastern Europe are not favorable to further increases of the EU's powers or actively promote repatriation of some powers back to member states. However, none of these parties are opposed to the EU as such, and indeed the election revealed that the great majority of voters still support the Union.

The consequences of the elections

The effects of the election will be felt in individual member states. In Southern Europe, where anti austerity parties did well, and in France, there is likely to be a push for an easing of budgetary discipline at the European level. In Britain, UKIP's victory will increase pressure on the government and opposition to secure reform of the EU. On the whole, the effects of the election are unlikely to be too damaging in the short term. However, unless economic conditions of crisis hit countries in Southern Europe improve, populist forces may well continue to gain ground, eventually threatening the cohesion of the Eurozone. Italy, crucial because of the size of its economy, seems to have been stabilized by the election, but the same is not true of Spain or Greece. While the elections have altered the political landscape in other countries, most notably France, this is unlikely to have serious consequences in the short term. In fact, even if the FN manages to use the European elections as a springboard for further electoral success, presidential elections are not scheduled until 2017. This gives national leaders a precious window of opportunity to boost economic growth and promote broader reform.

Likewise, the consequences of the elections on the actual work of the European Parliament are unlikely to be major in the short term. There are two distinct reasons for this. Firstly, mainstream parties still hold a majority of seats in the Parliament. Secondly, populists are a very

heterogeneous group, including parties from the extreme right and left of the political spectrum. Unsurprisingly, they are deeply divided both in their attitude to the EU itself and towards a host of economic and social issues. Therefore they will not be able to put forward their own alternative agenda for the Parliament. However, it is likely that they will act jointly where they agree: most notably in their attempt to block the Transatlantic Trade and Investment Partnership currently being negotiated between the US and the EU. Their impact will also be felt in those cases where mainstream parties cannot agree on issues: the need for constant co-operation between socialists, conservatives and liberals may well block legislation in some policy areas.

Despite the limited impact of the elections on the day-to-day workings of the European Parliament, the rise of Eurosceptic parties has increased momentum for economic and institutional reform of the EU. The results of the election, combined with the very low turnout, have failed to consolidate the Union's democratic legitimacy at a key juncture in its development, instead marking wide-ranging dissatisfaction with the EU's current policies and setup. Momentum for reform of the Union has clearly built up and it is in this direction that European leaders are now likely to move. They have recognized there is no mandate for further uncritical integration: the option of ignoring the election's implications is not feasible as it would probably only lead to further boosting of populist parties' popularity. Therefore, leaders are likely to pursue reform both economically and institutionally, while trying to shift the terms of the debate against the populists.

A statement by Herman van Rompuy, President of the European Council, after a meeting held in the aftermath of the election revealed that the priorities should be those of securing 'growth, competitiveness and jobs'.² National leaders such as British Prime Minister Cameron and German Chancellor Merkel also sought to highlight the importance of generating growth and jobs.³ The statements suggest the main avenue of reform will be economic. In particular, it is likely there will be a gradual but incomplete shift away from austerity towards growth-oriented policies. The aim is that of facilitating economic recovery in countries of the Eurozone periphery, reducing unemployment, which is seen as the root cause for populists' electoral success. In order to be successful in the long-term, economic reforms are likely to necessitate the completion of a banking union within the Eurozone and closer fiscal integration of Eurozone countries, including supranational control of national budgets.

The success of Eurosceptic parties has made these steps more difficult to achieve: national governments will be weary of consenting to large surrenders of sovereignty. However, despite these difficulties, the need for further integration within the Eurozone to remedy the flaws of the Euro is recognized by almost all actors and is most likely to go ahead, albeit gradually. Closer integration within the Eurozone will probably require institutional adjustments in the EU as a whole. In fact, many member states outside the Eurozone do not want to integrate further, but are concerned of being gradually left out of EU level decision-making. The provision of appropriate guarantees and suitable arrangements for those countries wishing to take a step back in terms of integration will be a key step in the institutional reform of the EU, and a necessary one if the Union wants to avoid fragmentation. At the same time, the creation of a more flexible, multi-speed EU will enable clusters of willing countries to forge ahead with closer integration in fields such as defense and energy policy. Because of the difficulties in changing the European treaties,

many of these arrangements might well be formalized on a purely intergovernmental basis outside of the EU structures, as was the case with the European Fiscal Compact of 2012.

Reform of the Eurozone's current economic policy and moves to make the Union more flexible are likely to be accompanied by efforts to address the balance of competencies between the European Commission and Parliament, and the European Council, made up of the heads of member states. Statements by key political figures point to an increasing emphasis on the principle of subsidiarity, according to which the EU should only concern itself with those issues that are more efficiently dealt with at European level. This would probably entail the repatriation of some competences from the EU to member states.

The British have been amongst the oldest advocates of EU reform, and have frequently received support from the Dutch and the Swedes, with Germany often sympathetic. In particular, the idea has emerged of giving national parliaments the power to veto unwanted EU legislation, if over a third of all national parliaments agree. This proposal goes hand in hand with the wish for a lighter regulatory touch from Brussels, often seen as a source of endless directives. This attitude now seems to have spread to France: before the election former President Nicholas Sarkozy argued for a reduction of the EU's competencies.⁴ After the elections, President Hollande called for reform of the EU, arguing it should be 'effective where it is needed, but withdraw where it is not necessary'.⁵ Following a meeting of European leaders on May 27, after the elections, van Rompuy stated that a 'common understanding should be reached 'on what should best be done at the European and the national level'.⁶

Whether reform will be substantial or mainly cosmetic is still unclear, but its aim will clearly be that of tackling the Eurosceptic narrative of ever-expanding EU powers. Thus, rather than taking on the long-standing but seemingly impossible task of increasing the democratic accountability of the EU's own structures, European leaders will opt to do so by giving more power to national parliaments, reducing the scope of the Union's competences in some areas. These steps would achieve the feat of making a British exit from the EU less likely in case of a referendum. On the contrary, failure to achieve reform could lead to the strengthening of the British Eurosceptic and eventually to a British exit. Reducing Brussels' powers in some areas, while enhancing intergovernmental cooperation may help in stemming the rise of Euroscepticism. However, some of the reforms that are being discussed, such as setting limits on free movement of workers could have the effect of legitimizing Eurosceptics' discourse while not necessarily halting their rise. European politicians face a careful balancing act.

The international consequences of the elections remain to be seen. It is possible that the EU's external action could be hobbled as a perceived lack of internal legitimacy reduces its soft power. Occupied by efforts to reform economically and institutionally, the EU could well become more inward looking and less willing to act on the international stage. The impact of populists in areas such as foreign policy, defense policy and energy policy is set to be indirect in nature, although it could end up being substantial. These policy areas are handled at the European level on a purely inter-governmental basis. While populists cannot have a direct influence on these policies as long as they remain excluded from government, they could conceivably have an indirect effect by influencing those parties in government. This influence could be particularly strong in the field of enlargement, which is generally opposed by Eurosceptics.

It is also possible that the EU's foreign policy could be influenced: Eurosceptic parties tend to be deeply skeptical of foreign intervention and somewhat ambiguous over EU-US ties. However, in most cases Eurosceptic parties have not yet developed coherent foreign policies, limiting their impact in this field. On the whole, while the EU's external action might be constrained for a period of time, the elections could eventually lead to a development of a stronger EU on the international stage. If leaders seize the opportunity to carry out economic and institutional reform, Europe as a whole could emerge from the crisis more flexible yet more united. Growing instability in Europe's neighborhood and the apparent revival of Russia's international ambitions would favor such a trend, providing structural incentives for Europe to act more cohesively on the international stage.

Conclusions from the elections

The European elections of May 2014 marked a sharp indictment of the EU's austerity policies and of the broader performance of many national governments. They mark the pressing need for economic and institutional reform of the Union, and present a remarkable opportunity for comprehensive reform. European leaders are gradually becoming convinced of the pressing need for economic and institutional reform of the Union. The long-term outlook for the EU itself depends on the evolution of popular feeling within member states in the coming years. If leaders manage to revive national economies and to implement institutional reform of the Eurozone and the EU, the influence of populists on national politics will gradually be curtailed, and Europe will become more flexible in its response to challenges both domestically and internationally.

The success of such measures will depend on political elites' abilities to shift the terms of national debates in a pan-European direction, recognizing the Union's shortcomings, but also highlighting its benefits. However, if the opportunity for reform is missed, without an economic recovery in the southern periphery and with no institutional adjustments to bridge the gap between the EU and Europeans, then it might only be a matter of time until anti-EU parties gain enough traction on government policies, or are able to enter government. That could threaten the cohesion of the EU, and even lead to its unravelling.

NOTES

1 For the full results see: <http://www.results-elections2014.eu/en/election-results-2014.html>

2 Remarks by Herman van Rompuy following the informal dinner of Heads of State or Government, Brussels 27th May 2014

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/142862.pdf

3 For David Cameron's remarks see: 'PM calls to European leaders ahead of informal European Council', <https://www.gov.uk/government/news/pm-calls-to-european-leaders-ahead-of-informal-european-council>

For Angela Merkel's remarks see: 'Pressekonferenz von Bundeskanzlerin Merkel zum informellen Treffen der Staats- und Regierungschefs der Europäischen Union am 27. Mai 2014' <http://www.bundesregierung.de/Content/DE/Mitschrift/Pressekonferenzen/2014/05/2014-05-28-merkel-bruessel.html>

4 <http://www.ft.com/cms/s/0/b48b34a4-e107-11e3-b59f-00144feabdc0.html#axzz337mblp8B>

5 Allocution du président de la République à la suite des élections européennes, 26th May 2014

<http://www.elysee.fr/declarations/article/allocution-du-president-de-la-republique-a-la-suite-des-elections-europeennes-2/>

6 Remarks by Herman van Rompuy following the informal dinner of Heads of State or Government, Brussels 27th May 2014

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/142862.pdf