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European Parliament Elections: Key takeaways

A huge democratic exercise over four days has come to a close. Here are our first key takeaways, based on the last official projections as of 11:15 pm CET

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European voters do care (more than before)

After decades of declining turnout, Europeans cared a little more about the elections this time around. An overall turnout of just over 50% for the EU 27 – the UK elections being an odd one out for obvious reasons – is the best since 1994. However, it is still shy of turnouts in national elections.

Mixed results for EU-skeptical parties

Eurosceptic parties are set to take less than 30% of the seats according to early results. The three big Eurosceptic political groups are currently at just over 22% of the votes, which is a small gain over the 20% of seats they have now. At the same time, small, independent and often one to three seat parties gained some 20 seats. Here, it will depend on whether any of these some 40 seats will be able to join existing political groups. However, don't forget that the Brexit Party took a significant amount of the EU-skeptical votes. Assuming that Brexit will still happen, eventually, these seats should disappear again.

In our view, this means that the often-feared rise of EU-skeptical parties has not materialized. The gains are simply too small and it does not look like the parties are set to unite themselves more than they did in the previous parliament. Deep cooperation between these EU-skeptical parties will be undermined by the fact that there is disagreement on how to deal with the migration crisis, how to deal with Russia or China. While the gains provide a signal that Eurosceptic parties are here to stay, it looks as if the only possibly significant impact of EU-skeptical parties can be found locally.

Possible national implications

In France, while Marine Le Pen's National Rally party has celebrated beating President Macron's Renaissance party as a win, the party did lose slightly compared to the Front National result of 2014 and will actually get as many seats in the EP as Macron's party. Nevertheless, these results will put pressure on President Macron at home.

In Greece, the ruling Syriza took a large loss today and Prime Minister Tsipras just called snap elections, set for end-June/beginning of July. This might sound bigger than it is. The regular next elections had been scheduled for October this year.

In Italy, exit polls suggest that Lega may have fallen short of 30% of the vote and that it's uncertain whether the Five Star Movement has received above 20% of the vote. With Lega gaining less than expected, new elections in the short term have become somewhat less likely, although tensions around the budget remain.

In Germany, another defeat for the SPD, a loss for the CDU, strong gains for the Greens and losses for the AfD show that the structural change of the political landscape continues. See also https://think.ing.com/snaps/germany-double-elections-day/

Political fragmentation continues

The European Parliament (EP) follows the trend observed in many national parliaments, namely the end of a two-party majority as the Christian Democrats (EPP) and Social Democrats (S&D) lost their majority. This fragmentation will make decision-making more complex in the years ahead. The large majority of the new European Parliament remains pro-European but there will probably be more different coalitions on different issues, including ALDE and the Greens. This is not necessarily a bad thing but possibly a chance for more colour and diversity.

Looking at the other parties, the most likely option to find majorities is the Liberals (ALDE), which has seen French President Macron's Renaissance list added to its ranks today. That makes them the clear third-ranking political group in the EP. They have already voted along with a large amount of the Juncker Commission initiatives anyway, so it seems to be an obvious choice.

Another political group that could deliver a narrow majority is the Greens/EFA. With quite a few upset results across Europe, they are set to gain significantly in the EP. The gains were significant as climate change ended up being a key theme in many of the election campaigns. In the previous parliament, appetite for a quick energy transition was lukewarm at times, which could change if the Greens are going to be more important to vote through the next Commission's agenda. As a small majority is often not enough in the EP as individual MEPs do not always vote along party lines, either a coalition with both the Liberals and Greens is required, or deal-making on individual issues will have to happen.

What does this mean for the game of European musical chairs?

No flipping of the coin, yet. While the EPP has remained the largest party, it does not feel like the case for Manfred Weber as Commission president has become stronger nor weaker. It will now depend on coalition building in the new Parliament. The Greens, for example, are a strong supporter of the Spitzenkandidaten concept (lead candidate of a party), while Macron has frequently hinted at letting this concept go. The entire concept is not enshrined in any laws and in the end it is government leaders calling the shots. However, diverting from the Spitzenkandidaten concept would be a clear blow for European Parliament and could lead to a long approval process as the EP officially has to approve the management of the next European Commission. Today's results have not flipped the coin in any direction. In fact, this musical chairs game could be a very long game with the only caveat that the current president of the European Commission could stay on as a caretaker. This is something that the European Treaties clearly does not allow for the ECB presidency. European leaders will meet on Tuesday. Expect high phone invoices in many European capitals until then.

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