

THE SITUATION AND UPCOMING ELECTIONS EUROPE: A BRIEF OVERVIEW

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STATE OF THE UNION

The European Union, the only supranational organization in the world whose members have voluntarily relinquished some of their rights, is in its worse political situation since WWII.¹ The Union is shaken by Brexit, the migrant crisis, rising populism (far left and right), and the euro zone debt crisis. The internal market is threatened by national protectionism, and people in Europe are frustrated with their political elite—not to mention external factors like Russia or the trade tensions with the US. There is still no common or well-coordinated foreign, energy, defense or security policy. Defense spending is too low relative to the 2% of GDP agreed to in NATO (e.g. Germany spends 1.2% of GDP). There are too many armies and too little cooperation and synergies.

In the digital age Europe has missed out and is still missing its chance to develop a common strategy towards technological innovation, creating potential European champions in data, AI, or online platforms. In addition, an unbalanced economic situation between Europe's north and south exists—high youth unemployment in the southern countries (up to 25%) and low youth unemployment in Germany, for example. This leads to social upheavals (e.g. the Banlieue in Paris) and is the breeding ground for the rise of nationalist and populist parties in Europe. Except for French President Emmanuel Macron, no relevant political leader in Europe has formulated a concrete vision for Europe and its future.² Europe is lacking positive leadership.

CURRENT POLITICAL SITUATION

In Europe, more and more governments are unstable. Far left or right wing parties are gaining votes and taking over governments. After Brexit there will be a changed political landscape in Europe. The south of Europe will most likely gain more influence, and with that support of the “northern policy approach (free market, debt discipline, etc.)” will decline. Some say another fiscal rescue maneuver for Greece might be expected and the fiscal situation in Italy is also threatening the stability of the euro (i.e. high debt budget proposed by the government plus high national debt). Most of the relevant leaders in Europe are either very new or on their way out (e.g. President Macron and Chancellor Merkel). The socialist parties are in a process of erosion—such as in France

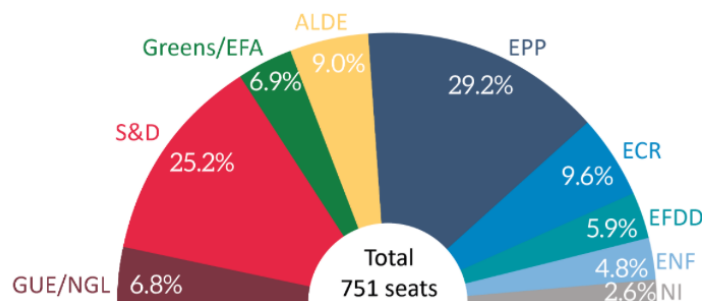
1. Wolfgang Danspeckgruber “Self-Determination in Our Times: A Brief Re-Assessment,” Commentary, October 2017, 1. <https://lisd.princeton.edu/commentaries/self-determination-crises-our-times-brief-re-assessment>.

2. <https://www.tagesspiegel.de/politik/merkels-enttauschende-rede-beim-karlspreis-das-signal-von-aachen/21300652.html>, May 2018 (German).

and Germany’s Bavarian elections, where only 9.8% of the vote went to socialist parties; the lowest since WWII. Some in Germany are already predicting their end as “Volkspartei.”³ The conservative parties are also facing huge losses but at higher percentage levels (attacked by the far right populists and also losing voters to the Greens). They still govern in many countries in the EU, roughly a third, but less than before. The Liberals have become stronger in the headcount of prime ministers, also around a third, but they normally have to govern with very fractured coalitions. In the large countries like Germany, France, Italy, and Spain, only Germany and Spain are governed by leaders who belong to traditional parties.

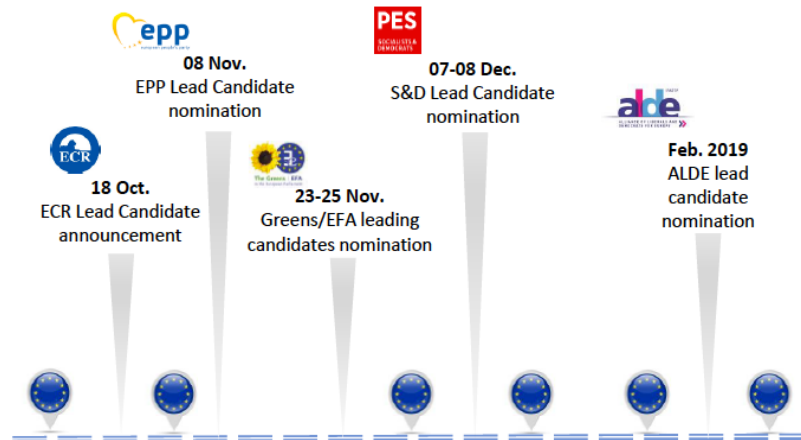
ELECTIONS TO THE EUROPEAN PARLIAMENT (EP)

Current seats in the EP, elected in 2014



In the current EP, there is a majority within the grand coalition consisting of the Conservatives (EPP) and the Socialists (S&D). After the last EP elections in 2014, the strongest political force (EPP) was able to decide who became president of the EU Commission. That might change in the future due to an unclear majority in the Parliament – which can lead to an inability to elect an EU Commission and its president and could throw Europe into deep uncertainty with no EU Commission for an extended period of time. The profiteers of such a situation would be the nationalists and populists.

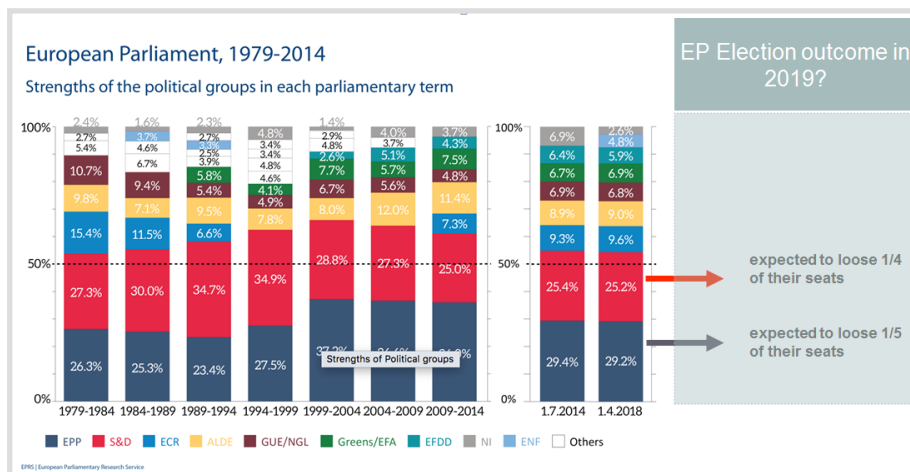
3. <https://www.reuters.com/article/us-lloyd-politics-commentary/commentary-why-social-democrats-have-become-irrelevant-idUSKBN1DH27O>, November 2017.



Also for the EP Elections in May 2019, there will be “Spitzenkandidaten” or leading candidates from the EPP, S&D and other parties who will further increase attention on and the visibility of citizens. Elections will become more personalized. The new Alliance party of Macron has announced that they will join the ALDE-Group after the EP Elections.

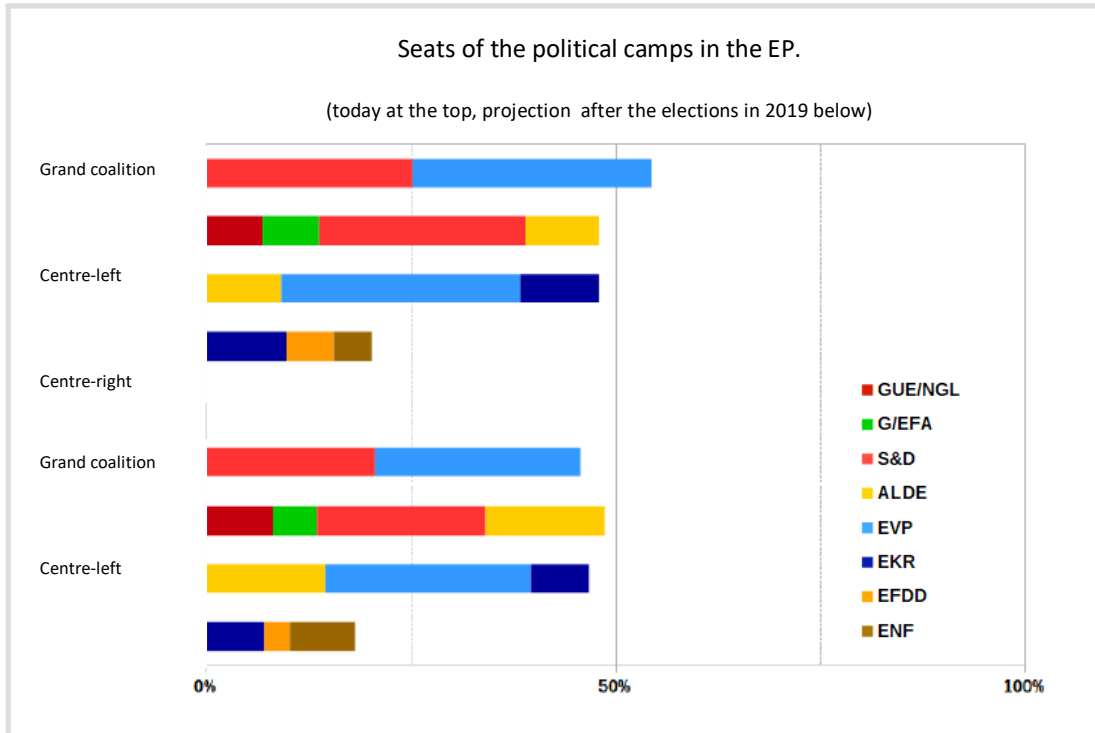
THE EP AFTER THE ELECTIONS!?

Since its first elections, the EP has always had a majority through the two grand parties— EPP and S&D. That doesn't mean that there has always been a coalition or collaboration between them, but a stable majority was always certain if necessary— just in case.



Coalitions and majorities will most likely, and as can be seen below, be uncertain. Projections indicate that no political camp will have an absolute majority of the seats.⁴

4. <https://www.foederalist.eu/2018/07/europawahl-umfragen-juli-2018.html?m=1>, July 2018.

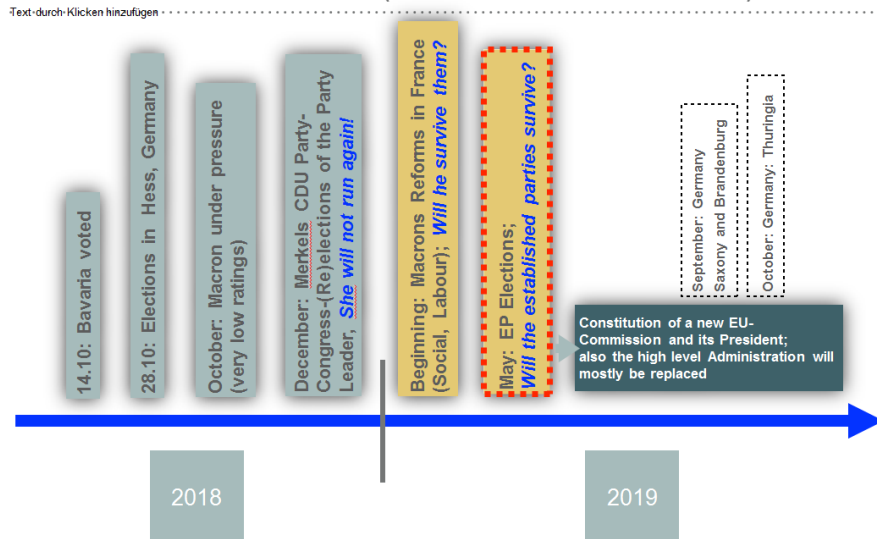


TIMELINE: GERMANY AND FRANCE

How might things develop in the future? The German Chancellor, even if not running again for the party chairmanship, is facing various regional elections in 2019, as well as the EP elections. It is questionable whether her government will survive 2019, if she does not have the power to lead her party anymore.⁵ For Macron the beginning of 2019 is critical. If he gets his ambitious reforms through the French parliament, he can end up being the new strong political leader of Europe who has the will and power to reform a deeply centralized and elite driven political system. If not, he will not recover from his low ratings before the next Presidential elections in France, and the danger of a further uprising by Marine Le Penn is even more real.

5. <https://www.welt.de/geschichte/article182965986/Bundesrepublik-Muessen-Kanzler-immer-Parteivor-sitzende-sein.html>, October 2018.

TIMELINE 2018/19 (VERY SELECTIVE)



Europe has without a doubt gone through crises in the past, and it successfully overcame them. This time the continent will require greater efforts to get through the current crisis, but if it does we will witness a stronger European Union than before.

FOR FURTHER READING

Adler, Katya. *Europe's Migration Crisis: Could It Finish the EU?* <https://www.bbc.com/news/world-europe-44632471>.

Dorn, Florian, et al. *Demokratische Vielfalt in Deutschland— unterscheiden sich die Volksparteien noch?*

Ischinger, Wolfgang. *Welt in Gefahr-Deutschland und Europa in unsicheren Zeiten*, 201., www.ullstein-buchverlage.de/nc/buch/details/welt-in-gefahr-9783430202497.html.