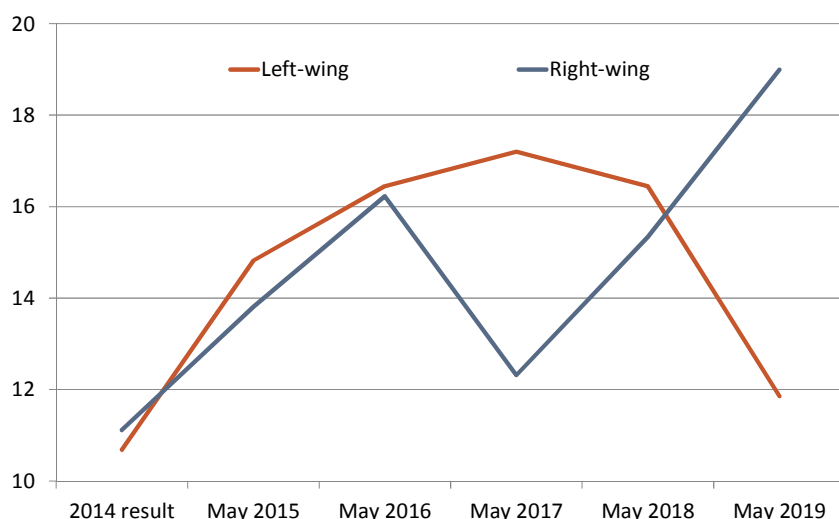


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17 May 2019

## European elections: understanding the impact

Some recent gains for right-wing populists come at the expense of the left



Support for right-wing and left-wing populists in %; 2014 EU election, national opinion polls (2015-2018) and latest polls for European Parliament (2019), weighted average for Germany, France, Italy, Spain and the Netherlands. 2017 dip for right-wing partly French Front National until it ditched its anti-euro stance. Source: Opinion polls, Berenberg

- **Looking beyond the headlines:** Judging by opinion polls, gains for right-wing protest parties from all corners of the EU could make headlines when the results of the European Parliament elections are published late on 26 May. These EU-sceptic groups may win about 180 seats in the 751-seat European Parliament. Could they disrupt the governance of Europe or even change the EU according to their preferences? Most likely not, in our view.
- **Putting the populists into perspective:** Spectacular as the gains for some right-wingers may be, some of the most recent increase in their support comes at the expense of equally disruptive left-wing parties (see chart). After years of economic rebound, protests against austerity – mostly a left-wing issue – have given way to concerns about identity and migration, which are mostly right-wing issues. The recent national election in Spain and regional votes in Italy point that way. Left-wing populists including Italy's Five Stars may garner some 70 seats. Taken together, the staunchly pro-European mainstream parties can still hope for an almost 65% majority in the European Parliament.
- **The impact in Brussels:** In the European Parliament, three rather than two of the four mainstream groups may have to join forces in the future for key decisions, such as confirming the next Commission president and ratifying a new budget. For the centre-right, the centre-left, the liberals and the Greens, this looks doable. Brussels will work.
- **The impact at home:** Much more important could be the fallout of the European result on the national level. A bad drubbing for Germany's SPD could cause the disoriented party to walk out of German chancellor Angela Merkel's coalition, paving the way for Annegret Kramp-Karrenbauer to take over at the helm of a new alliance with the Greens and the liberals. Very unlikely, but not impossible. In Italy, a triumph for the right-wingers could prompt Lega leader Matteo Salvini to end the coalition with Five Stars and go for new elections, possibly in late September. In the UK, an utter humiliation for Conservatives and Labour alike could exacerbate the descent into unpredictable political turmoil – or force these two traditional parties to finally get Brexit over with one way or the other.
- **Top jobs up for grabs:** At two summits on 28 May and 20-21 June, EU leaders will try to distribute the [top jobs](#). If the centre-right does unexpectedly well at the EU election, their German "Spitzenkandidat" Manfred Weber would have a strong claim to lead the European Commission. France would then probably nominate François Villeroy de Galhau (or Sylvie Goulard) as the next ECB president. If Weber does not prevail, France may send Michel Barnier (or Sylvie Goulard?) to head the EC. Germany may then claim the ECB for Olli Rehn or perhaps even Jens Weidmann. In either case, Italy may ask for a consolation price, perhaps an Italian acceptable to Rome as the EU's new foreign policy chief. If so, a candidate from a smaller EU member could succeed Donald Tusk as European Council president.

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