

A more conservative Europe and EU!

Daniel Gros

8 June 2009

Europe has voted. There was no EU-wide campaigning; instead, there were 27 different national campaigns focusing on many different issues, almost all of which were exclusively national in character. However, a few general features emerge from this election:

A more conservative European Parliament. The EPP plus the UK conservatives will have almost twice as many seats as the socialists. Over the last decade, the EPP has been more cautious in general and especially in terms of transferring competencies to the EU level. This suits the smaller disparate group of Euro-sceptic parties, which otherwise will not count for much. The other main groups (PES, Liberals, Greens) will find it much more difficult to take the initiative, although for a limited period of time the political momentum seems to favour the Greens (at least relative to the others).

A more conservative Europe. In general the sitting conservative leaders in the larger countries (Germany, France and Italy) will feel encouraged in their cautious approach, and in particular to the handling of the financial crisis. There is no demand for radical changes. Hence we should expect a cautious approach to the reform of supervision of financial markets, a revival, at least rhetorically, of the Stability (and Growth!) Pact, and, in general, a tendency to keep Brussels from rocking the boat with unsettling initiatives. The reappointment of Barroso will provide a virtual guarantee in this sense. The main open question is how far this agenda will be pushed. For example will Barroso be free in the allocation of portfolios in the new Commission? Will there be meaningful reform of financial supervision? Will competition policy be softened?

The sitting leaders of France and Germany thus feel vindicated in their running of EU affairs, keeping developments under control and marginalising the small countries. This is also the reason why the Euro-sceptic parties have scored best in the smaller countries: the electorate in the smaller countries feels that it has little influence over EU affairs. This feeling has increased particularly in those countries that in the past had more influence on EU affairs because of their pro-EU constructive approach (the Netherlands) or because the force of their arguments were based on a solid economic performance (Finland).

In terms of foreign relations, this EU will be content to play second fiddle to a US that is recovering both in terms of business cycle and in terms of prestige, more rapidly than Europe. Relations with Russia should improve since they will be seen through the prism of national capitals (principally Berlin, Paris and Rome) and the respective domestic gas monopolists, rather than Brussels, which will suit Moscow fine. Turkey is off the agenda.

A more boring EU? A conservative majority among leaders and in the EP implies that the EU will become even less entrepreneurial than in the past. This is unlikely to change even after the passage of the Lisbon Treaty, which now looks likely, because the heads of state will carefully select 'reliable'

Daniel Gros is Director of CEPS.

CEPS Commentaries offer concise, policy-oriented insights into topical issues in European affairs. The views expressed are attributable only to the author in a personal capacity and not to any institution with which he is associated.

Available for free downloading from the CEPS website (<http://www.ceps.eu>) • © CEPS 2009

personalities for the key positions that will then be created (Foreign Minister and permanent President of the European Council). The only element that could 'spice up' the life of the EU next year is the likely arrival of the UK conservatives. But (provided they arrive after the Lisbon Treaty has entered into force) they will find little of substance to object to: further labour market regulation (or even an EU minimum wage) will be off the agenda, as will be fiscal 'adventurism'. The reform of financial supervision will probably already have been decided by then and will anyway have resulted in only a limited transfer of competences to the EU.

It is mainly in the area of Justice and Home Affairs, that the EP could become more politically charged and relevant. The conservative grouping will in general favour more border controls and emphasise more security, at the expense of what others consider liberty. In this field most of the other groups (besides the Socialists, also the Liberals and the Greens) will have a different approach and this is likely to lead to a more spirited debate within the EP, as this field is expanding continuously and will come under co-decision with the passage of the Lisbon Treaty.

A less legitimate Europe?

The low level of participation has to be acknowledged, but it was actually better than predicted or could be expected given the lacklustre campaigns in most countries. It is particularly difficult to understand the extremely low participation rates (around 20%) in some of the new member countries, even in Slovakia, which just joined the euro area, or the Czech Republic, which holds the rotating EU Presidency. But to see this EP election in a broader perspective: the abstention rate was about the same as in US mid-term Congressional elections.

However, the widely commented upon record-low turnout continues to fuel the argument that the EP lacks legitimacy. The low turnout also seems to support the claim of the leaders of (larger) member states that they have to run the show, as they are the ones that are really democratically legitimate. These arguments might not stand up to a closer analysis if one takes into account the drop in voter turnout in national elections and the fact that the level of trust in the institutions of the EU does not seem to have declined relative to the (often rather low) trust citizens put in their own national institutions. Such considered arguments, however, are unlikely to be accorded a serious hearing in a political environment in which the slogan that Europe has a democratic deficit has proven to be highly successful in populist debates.