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EU voters look set to vote mainstream in 2019

Only modest changes: current and projected seats in European Parliament

- **The populist threat:** Unwilling to respect the rules of Europe, Italy’s government wants to radically change the EU to suit its spendthrift ways. After a meeting with Marine Le Pen of France’s hard-right National Rally this week, Italy’s Lega leader Matteo Salvini set his sights on winning a majority for like-minded parties at the upcoming elections to the European Parliament (EP) on 23-26 May 2019. In financial markets, the harsh words used by Italy’s radical leaders against the EU’s gentle reminder that rules need to be respected have backfired for Italy by spooking the bond markets. As part of an anti-establishment election campaign, the noise may make more sense. But the strategy is unlikely to work, in our view. Also, if the radicals in Rome overdo it, nervous markets may not give them much time to last until May 2019 without reverting to more sensible policies.

- **The role of the EP:** Together with the European Council, which represents the national governments, the EP approves legislation proposed by the European Commission (EC) and the EU budget. The EP also elects the President of the EC and approves the set of Commissioners proposed jointly by the EC president and the European Council. Due to Brexit, the number of MEPs will fall from 751 to 705 next year as 27 of the 73 UK seats will be reallocated to underrepresented member states and 46 will be retained for future EU members.

- **Do the radicals have the numbers? Probably not.** Even in a protest vote, which EP elections often are, the Eurosceptic parties seem far from a majority. Projections suggest that 470 of the 705 seats would go to established pro-EU parties (see chart). Unless the actual result differs greatly from these projections, this would still suffice for a comfortable majority (67% versus 70% currently). With the UK leaving the EU, the departure of Tory and UKIP MEPs is likely to offset some of the gains by the ultra-right and far-left. As the two biggest groups, the centre-right EPP and the centre-left S&D, will probably struggle to win an outright majority, the real challenge for the next EP is likely to be finding compromises among more than just the two biggest political groups.

- **Could the radicals do much damage?** In the highly unlikely event that the combined radicals won a majority of seats, the damage they could do would be limited. If an EP dominated by Eurosceptics rejected the EU budget, the old budget would probably continue, with modest amendments. If the EP refused to confirm any EC President and EC Commissioners proposed by the European Council, life in Brussels would be likely to continue on a caretaker basis.

- **Rules stay as they are:** Crucially, even a radical majority in the EP could not change EU treaties (eg the fiscal rules) in any way. That would need to be done by the national governments, which would all have to agree, and the national parliaments, which would all have to ratify any big change. Also, while populists from around the EU can easily agree to reject the Brussels establishment, they find it difficult to agree on matters of substance. For example, the far right in Nordic countries would not want to give Italy more leeway to breach fiscal rules – quite the opposite. Even if the radicals have big plans for the EU, they lack both democratic support and a common position to deliver them.
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