

# EU BUSINESS NEWS & INSIGHTS

## European Parliament Election

EU citizens will vote in the European Parliament Election between 22 -25 May 2014 to elect the new 751 members of the European Parliament (MEP) for the next five years. Since the introduction of direct elections of the MEPs in 1979s, low turnout rates have been recorded (62% in 1979, less than 50% in 1999 and 2004 and 43% in 2009) and some commented that the EP elections failed to act as an instrument of democracy because of the lack of public involvement. Commentators suggested that the election has a feature of “second-order” character in which voters feel there is less at stake.<sup>1</sup> The EU has carried out several reforms in the European Parliament to solve the problem of democratic deficit and foster public participation. Following the entry into force of the Lisbon Treaty in 2009, the European Parliament’s power has been strengthened with new legislative and budgetary powers. The Treaty has also given the EP a role in the nomination of the European Commission President. Therefore, the EP election this year is the first one in history that is linked with the selection of the Head of Commission.

Concerning the nomination of the European Commission President, it was previously decided by the group of the EU member states in the European Council. But this time, according to the Article 17(7) of the Treaty of the European Union, the European Council has to take into account the elections of the European Parliament and propose, by a qualified majority, a candidate of the Presidency, which will then require the approval by majority of the European Parliament.<sup>1</sup> The European Council will need to consult the European Parliament for their choice of the candidate, after having taken into account the election. Various European parties, acting in accordance with the new rule of the Lisbon Treaty, have already nominated their respective “top candidates” to run for the Presidency of the Commission.

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Issue 5 | 17 Mar 2014



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The Party of European Socialists (PES) nominated Martin Schulz, current President of the European Parliament, as their top candidate. Following his nomination, Schulz said his first priority as European Commission president will be jobs creation in the EU. The European People's Party (EPP) chose Jean-Claude Juncker as their top candidate. Juncker has served as Prime Minister of Luxembourg from 1995-2003 and was the longest serving head of government in the EU. He was also the President of the Euro Group from 2005-2012. For the Alliance of Liberals and Democrats for Europe (ALDE), the delegates of the parties selected the former Belgian Prime Minister Guy Verhofstadt as the party's top candidate. His campaign will aim at deeper political integration within the EU.

Nevertheless, there is no guarantee that the top candidate of the European Party who will win the EP election will become the chief of Commission. On the one hand, according to the past election results, there is not likely any single party who will get an absolute majority (more than half of the seats) in the EP and the rising popularity of the Eurosceptic parties may potentially reduce the number of seats of these parties. It is likely that various parties will have to form a coalition in order to secure an absolute majority of the candidate of the President of the Commission. On the other hand, the nomination will also require consent of the 28 member states in the European Council and the choice of European Council and the European Parliament may well be different. This will lead to another negotiation between the Council and the EP in order to reach a compromise on the final candidate selected. As suggested by some media, in addition to the above-mentioned top candidates, other potential candidates include Irish Prime Minister Enda Kenny and Danish Prime Minister Helle Thorning-Schmidt.

The populist and Eurosceptic parties are becoming stronger in Europe in the midst of high unemployment rate (notably soaring youth unemployment in Southern European countries) and economic stagnation in the EU. Eurosceptic discourse is gaining momentum as national and EU politicians are being blamed for the economic crisis and the social-economic plight as a result of various austerity programmes executed at the EU level. Discontent among the European citizens will boost the chance of protest voting and benefit the radical parties. National Front (FN) in France, UKIP in the UK, Party for Freedom (PVV) in the Netherlands and Freedom Party of Austria (FPO) in Austria for example are expected to score among the top parties according to the election polls. Surveys suggested that National Front could rank the top among all parties in France and could obtain around 20 seats in the EP election, compared with 3 seats in 2009. Consequently, it is estimated that the Eurosceptic parties could grab more seats in the upcoming election.

Notwithstanding the likelihood of the augmenting number of the Eurosceptic MEPs, the impact on the EU policy-making would not be as significant as some might suggest. Divergent interests and objectives render the Eurosceptic parties across the EU less likely to cooperate with each other. For example, the UKIP and the National Front in France do not work together as demonstrated in the current EP due to their ideological difference. The Eurosceptic MEPs formed a coalition in the EP, known as the Europe of Freedom and Democracy (EFD), to strengthen their role and position in policy-making. Nonetheless, in terms of internal policy cohesion, the EFD records only 49% of cohesion rate in their voting in the EP, the lowest among all parties, compared with Greens/EFA (95%), S&D (92%), EPP (93%).<sup>2</sup> The lack of cohesiveness of the Eurosceptic MEPS will, hence, weaken their influence in the EP's policy-making.

The new composition of the European Parliament will have an important role for the next five years in the EU and the world is watching closely its development. EU-China or EU-Hong Kong relations are also at stake as the future MEPs will have legislative power over international agreement and cooperation and the future President of the European Commission could also significantly shape the EU's economic policies and its foreign policies towards China.



Read more about the topic:

- 1) [Intereconomics 2014, P.14](#)
- 2) [Treaty of the European Union, Article 17\(7\)](#)
- 3) [Statistics from VoteWatch](#)

#### About the Business and Economic Information Platform

The EUAP's Business News and Insights provide regular updates and analysis of the latest EU's economic and business issues which are of interest to the audience in Hong Kong. For more information, please visit the website at <http://europe.hkbu.edu.hk/euap/business.html>.

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