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## Europe's green wave

Green electoral gains at the European elections reflect broader changes in attitudes, especially towards climate change.

- \_ In recent elections to the European Parliament (EP), green parties saw sizeable gains in a wide range of member states.
- \_ The consequences for the rest of the world could be far-reaching, given the EP's growing role on trade and its growing willingness to resolutely pursue climate-change goals.
- \_ Of course, it remains to be seen how lasting these changes in policy preferences will prove.



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Some political surprises can create a big splash. Others are barely noticed at first glance. But, like a small rock thrown into a pond, they can cause powerful ripple effects. This certainly appears to be the case of the 2019 elections to the European Parliament (EP), the continent-wide vote which took place between May 23 and 26. As is becoming increasingly clear, the lasting impact of the electoral results is hard to overestimate, especially when it comes to environmental, social and governance (ESG) issues.

This has little to do with the aggregate size of polling surprises for Europe as a whole. In the months leading up to the vote, many commentators feared another populist wave, not yet visible in the polling data. In our previews ahead of the vote, we were dubious of such forecasts. ([Macro Perspectives: Another populist shock in Europe as of 3/12/19](#)). In the event, the European elections did not mark a breakthrough moment for the right-wing, euroskeptic parties. In the UK, for example, the combined share of votes and seats for euroskeptic parties fell sharply compared to 2014. The country is still scheduled to leave the European Union (EU) on October 31, but, has arguably ended up electing the most europhile national delegation of Members to the European Parliament (MEPs) in 20 years. Similarly, across the channel in France, Marine Le Pen's

Rassemblement National saw its share of the vote and seats decline compared to 2014.<sup>1</sup>

Prominent among the winners in both France and the UK were the green and liberal parties. It was a similar story in many of the 28 member states. The balance between centrist forces broadly in favor of the EU and those opposed to further integration did not change all that much. But there were significant shifts in terms of who the centrists will be within the EP. The Group of the Greens / European Free Alliance (Greens/EFA) in the EP, saw its number of MEPs swell from 52 to 75 (out of 751 seats overall, for as long as the UK remains a member). The strength of the Greens/EFA was all the more remarkable, because cross-country electoral correlations have tended to be rare in previous European elections, and as we have highlighted in the past. ([Macro Perspectives: A giant stirs as of 5/2/19](#))

This time around, the Greens outperformed polling averages across a wide range of member states. In addition to doing quite well on historically favorable terrain (Austria, Germany, the Nordic member states and the Benelux countries), they also scored surprise wins in Ireland and Portugal. With a few exceptions, green parties have remained weak in the new

<sup>1</sup> For detailed breakdowns of the election results, see <http://www.europarl.europa.eu/elections2014-results/en/election-results-2009.html> and <https://www.election-results.eu/european-results/2019-2024/>

member states of the former communist east and Southern member states, such as Italy. However, it has become increasingly likely in recent weeks that the Greens may be able to have an even bigger influence on the policies of the next European Commission than their number of MEPs might suggest.

One reason for this is the interplay between national and European politics in key member states, particularly Germany and France. Green electoral gains at the EP partly reflect broader changes in attitudes, especially towards climate change. This has been symbolized by the continuing strength of new youth movements demanding urgent action, not just, but especially in Western Europe. The European elections sharply accelerated the process of other parties trying to co-opt green ideas, most notably in Germany, where opinion polls currently show the Greens are well on track towards becoming the largest political party.<sup>2</sup>

This matters because it will be in the coming weeks and months that the composition of the next European Commission will be decided which will set the political agenda for the next five years in the EP. Under the Lisbon treaty, the EP has gained new power, notably on trade. The consequences for the rest of the world could be far-reaching.

Already, the previous EP has shown itself willing to risk trade tensions in pursuit of climate-change goals and human rights,

as well as better labor and environmental standards.<sup>3</sup> Recent EU trade conflicts over palm oil with Indonesia, Thailand and Malaysia perhaps offer a foretaste of how European trade policy is changing – as well as the potential for hostile reactions elsewhere.<sup>4</sup> Getting any trade deal with the U.S. negotiated by the Trump administration through the EP certainly looks tricky. Instead, it seems quite possible that the new EP could inadvertently get dragged into the U.S. political debate, particularly if proposals for a carbon border tax were to gain favor.<sup>5</sup> Already, a consensus is starting to emerge to end European fuel-tax exemptions for the aviation sector – a key priority, given the growth in carbon emissions from air travel.<sup>6</sup>

Of course, it remains to be seen how lasting these changes in policy preferences will prove. Much will depend on the Greens being able to defend or extend recent electoral gains in national elections, over the next few years. In countries where they have long been established, Greens have had to get used to seeing their electoral fortunes wax and wane. It is only two years ago, for example, that Germany's Greens were struggling in several regional elections. Neighboring Austria elected Europe's first green president in 2016. A year later Austria's Greens failed to clear the country's four-percent hurdle, losing parliamentary representation for the first time since 1986. In terms of European policy making, however, the recent green wave looks set to create plenty of opportunities for sensible policy changes in order to mitigate climate-change risks.

<sup>2</sup> A useful source for German polling is <https://www.wahlrecht.de/umfragen/>, unfortunately only available in German.

<sup>3</sup> Deringer, H.; Hosuk, L. and Murty, D. (2019) "Europe and South-East Asia: Shifting from Diplomacy to Unilateralism" in European Centre for International Political Economy (ECIPE) Policy Briefs, available at: <https://ecipe.org/publications/europe-asia-shifting-unilateralism/>

<sup>4</sup> For more details, see <https://www.dw.com/en/malaysia-threatens-to-raise-stakes-in-eu-palm-oil-spat/a-48075278>; <https://www.dw.com/en/does-eu-biofuel-deal-compromise-the-environment-for-trade-with-southeast-asia/a-44350293> and on the related issues involving U.S. soy beans: <https://www.euractiv.com/section/agriculture-food/news/us-soy-for-producing-biofuels-an-unsustainable-giveaway-to-trump/> and <https://www.reuters.com/article/us-usa-trade-eu/eu-seeks-to-soothe-u-s-by-clearing-soybeans-for-biofuel-idUSKCN1PN1GT>

<sup>5</sup> <https://www.ft.com/content/016adba8-82ed-11e9-b592-5fe435b57a3b>

<sup>6</sup> <https://www.ft.com/content/1ce24798-733b-11e9-bbfb-5c68069fbd15>

## GLOSSARY

**The Alliance 90/The Greens**, also referred to as the "Greens", is an environmentalist political party in Germany that is considered center-left in the German political landscape.

**The Benelux Union** is the politico-economic union of Belgium, the Netherlands and Luxembourg. The name is an acronym of the starting letters of those countries and is also often used when generally referring to them.

**Correlation** is a measure of how closely two variables move together over time.

**Environmental, Social and Governance (ESG)** is a way of assessing a company that investors increasingly use to screen potential investments, using environmental, social and governance criteria.

**The European Commission (EU Commission)** is the executive body of the European Union (EU) which represents the interests of the EU.

**The European Union (EU)** is a political and economic union of 28 member states located primarily in Europe.

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