

The European Union's Institutional Resilience at Times of Domestic Change

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The success of the European Union (EU) crucially depends on the goodwill of its member states and their capability to act. It is therefore obvious that political change in its member states influences the course the EU is taking. This article will firstly outline several domestic trends, particularly addressing the challenge of populist and Eurosceptic movements for the EU and its capacity to act. Secondly, the article will argue that despite several challenging evolutions in various member states, the European integration process has shown a certain degree of resilience: Despite these challenges the EU has been able to deliver. Thirdly, the article will argue that the political environment will likely remain challenging for the EU and its member states.

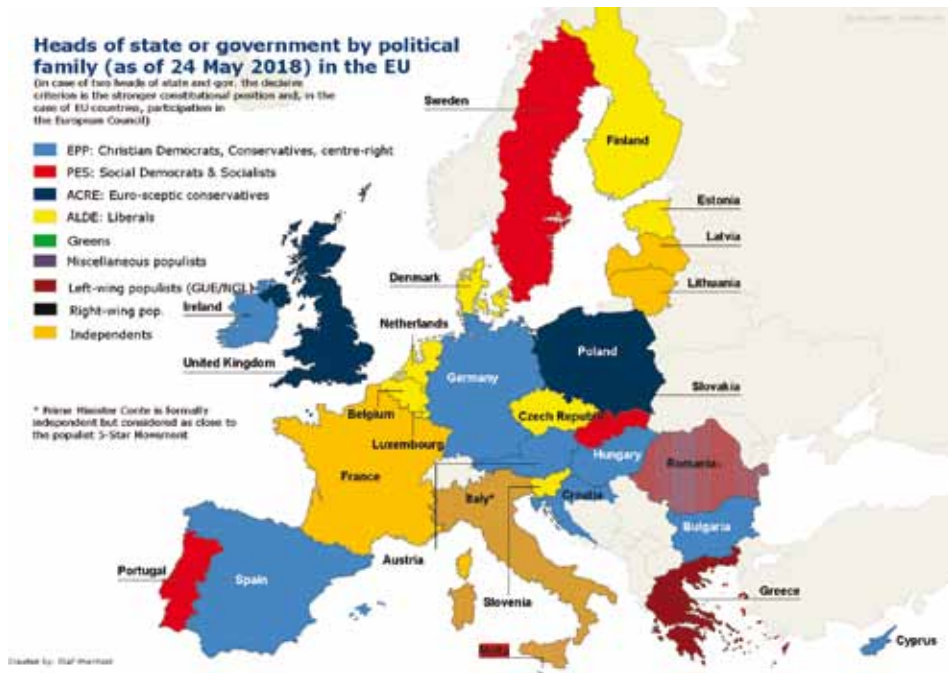
EXTERNAL AND INTERNAL CHALLENGES AND THEIR IMPACT ON PARTY SYSTEMS IN THE EU

Both external and internal developments have significantly influenced the political landscape in the EU's member states:

In the past years, the EU has been confronted with a high degree of external instability in its immediate neighbourhood. In the East, it was confronted with the consequences of an increasingly aggressive Russia which is attempting to roll-back the transformation processes in the now sovereign former Soviet Republics—sometimes with military force. In the EU's south, instability and wars have caused strong migratory pressure on the EU as a whole. This in turn has not only led to a major crisis in the EU but has had tremendous impact on several national elections since 2015. In the West, the US—while remaining the principal ally of the EU—has become a more challenging partner in areas such as trade and climate policy. Finally, the planned departure of the United Kingdom (UK) from the EU will be a formidable challenge for EU-UK relations.

Moreover, the EU's member states have faced several serious challenges at the domestic level which have led observers to question the sustainability of the European integration process as a whole. The consequences of the debt crisis and

the inadequate economic competitiveness of some member states have made painful adjustment processes necessary—not only in Greece. These very different challenges had one thing in common: they led to a feeling of insecurity and to an increased demand for protection among EU citizens—be it through national member states or the EU. Other societal trends have equally had a profound impact on member states and their political systems: secularisation (in some of the EU member states) and the transition towards service-based societies have led to a more diversified voter base and to the erosion of traditional electoral milieus. These developments have overall led to significant changes in the party systems of most EU member states: For a long time, governments consisted of either pro-EU-minded centre-left or centre-right cabinets, which in most cases belonged to one of the two big European political families, the centre-right European People’s Party (EPP) and the Socialists (PES). In the last few years, increased electoral volatility and the appearance of new political movements have led to a different dynamic. After dominating the political party system for decades in many member states, parties of both centre-left and centre-right today often struggle to assemble half of the electorate around them (see Graphic 1).



This is mostly due to the profound crisis of the Social Democratic parties in many EU member states in which the main electoral issue was the promise of “protection”—a promise which in the current unstable environment member states cannot guarantee on their own. The shrinking political centre has made pragmatic, but unpopular, grand coalitions with the centre-right necessary. This has tempted

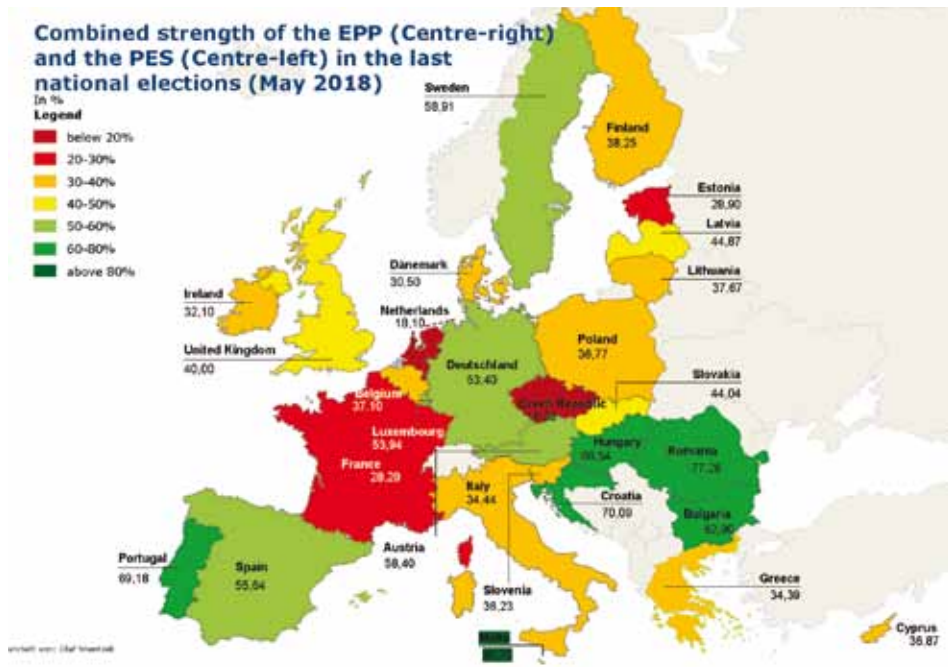
some Social Democratic parties to embrace a more combative but also more populist discourse in politics. The evolution on the centre-right has been somewhat less dramatic. However, in several countries (Netherlands, Belgium, France, and Italy) traditionally strong pro-European centre-right parties have lost their once dominant position. Overall, in many EU countries, the party scenery has become more diverse and coalition-formation more cumbersome.

The void left by traditional forces has been filled by new parties, often populist movements from the extreme left or the extreme right. As a response to the above-mentioned internal and external challenges, many of these parties use a socialist-nationalist discourse: They argue that protection can be achieved through closure towards external influences—trade, European integration, migration and the international environment as such. These movements use an anti-European discourse as a contrast to the pro-European discourse of most of the moderate parties in the EU. This does not mean that the old left-right cleavage in politics has completely lost its relevance. However it has been complemented by an “open versus closed society” cleavage: This dividing line separates parties in favour of trade, European integration, liberal democracy and international institutions from parties which advocate an anti-EU policy, protectionist system and sometimes even authoritarian features of governance.

Still, the presence of Eurosceptic movements as such is not a new phenomenon. Rather, they have accompanied the history of European integration from the very beginning, such as the Poujadistes in France in the 1960s. The past decade has, however, seen a particular resurgence from Eurosceptic, populist and extremist movements. These parties are heterogeneous: Not all Eurosceptic parties are deeply populist (such as the British Tories), not all populists are anti-EU as such (notable examples are the left-wing movements Syriza in Greece and Podemos in Spain), and not all Eurosceptic or populist movements can automatically be described as extremists from either the right or left wing. Overall, they have scored some notable successes: In France, Marine Le Pen received one third of the votes in the second round of the presidential elections. The Dutch anti-Islamic, anti-migrant and anti-EU party PVV has established itself in the political system; the right-wing populist FPÖ in Austria received 26% of the popular vote in the Austrian legislative elections. In Italy, populists from diverse political backgrounds have managed to achieve more than 50% of the vote and have formed—in an unlikely alliance between rather left-leaning populists (5 Star Movement) and right-wing populists (Lega)— a new government bent on defying many fundamental European rules. It is, however, equally important to emphasise that despite their successes, these movements have also witnessed some setbacks. Only in rare cases have Eurosceptic or populist movements become the single strongest party in a country and for now, few of them have a realistic chance of heading a government.

One result of the above-mentioned trends is a much more diversified political landscape. This is reflected by various evolutions: While in February 2012, 16 out of 27 heads of state or government belonged to the pro-European Christian Democratic and Conservative European People’s Party, in December 2017 this political family united only 8 out of 28 heads of state and government. While in the past, the EPP and the Party of the European Socialists have together mustered large majorities in the European Parliament, this “grand coalition” is now uniting hardly more than half of the MEPs (according to the last party barometer recently published by KAS, both EPP and PES are unlikely to achieve a majority after the upcoming European elections).

It is, however, notable that the relative success of Eurosceptic movements does not always mirror the opinion of the population towards European integration as such: In both Poland and Hungary support for the EU and European integration has been particularly strong and is significantly above the EU-28 average. This represents the stance towards the EU in the population of many of its member states as well: While European integration as such is widely supported and a large majority sees the necessity of more EU cooperation in the areas of security, defence, anti-terrorism and foreign policy, citizens are often not satisfied with how the EU is working at the moment.



IMPACT ON EUROPEAN DECISION-MAKING AND ITS CAPABILITY TO ACT

The pressures caused by economic and social crises or stalemates in government formation have at times restrained the EU's capability to act:

Domestic pressure has made it more difficult for some governments to assume ownership of developments at the EU level: Unpopular decisions agreed upon by member states in Council meetings in Brussels have been openly criticised by the same ministers or heads of state once they addressed the national public back home. Often, it has been more tempting to pin failure on Brussels, and attribute European successes to one's own state. However, the two biggest crises have been rooted in the failures of member states rather than in the deficits of the EU architecture: In both the Eurozone and the migration crises, it was particularly the insufficient implementation of EU rules by member states which caused or accelerated the crisis.

Some governments, under pressure from apparent successes of extremist or populist movements, have copied or emulated the discourse of populist and Eurosceptic movements in the areas of migration, integration and EU enlargement. On the other hand, other member states' politicians have managed to score some important electoral victories over populists. In fact, 2017 delivered some powerful examples showing that it may pay off to stand one's ground with determination in favour of European integration: The most prominent example in this context has certainly been the election of French President Emmanuel Macron, who deliberately challenged his right-wing extremist competitor Marine Le Pen with an unashamedly pro-European stance and soundly won the second round of the French presidential elections. Several months earlier, the Croatian centre-right prime ministerial candidate Andrej Plenkovic similarly demonstrated that a positive, pro-European and future-oriented electoral campaign can be successful.

The electoral success of populist forces in some countries and most of all the Brexit vote have been a wake-up call for established governments and political parties all over the EU: the focus of the EU debate has moved much more to the necessity to create a "Europe that protects", focussing on concrete results the EU can deliver in order to demonstrate its added value to its citizens: Thus, in an informal summit in September 2016, the EU decided to launch a reflection process in order to identify key areas the EU should focus on in the coming years and decades. This includes primarily stronger cooperation in security matters (migration, anti-terrorism, foreign and security policy, defence), but also the strengthening of economic cooperation and the enhancement of the EU's social dimension.

In particular, the emphasis on security cooperation merits attention: This has been one area in which EU citizens see the most urgent need for EU action. As the same time, this has been a policy area where until 2015, cooperation had been relatively shallow. Increasing the EU's role in security was thus a way to address

the above-mentioned need for an “EU that protects” its citizens in an unstable environment. Furthermore, the EU member states’ determination—as both German Chancellor Angela Merkel and the President of the European Council Donald Tusk have emphasised—to prioritise the EU’s unity is remarkable: This has been particularly the case in the EU’s unified stance towards the UK in the Brexit negotiations.

Since 2016, this strategy has delivered relatively well on short-term solutions: Control of the EU’s external borders has been enhanced, the number of illegal migrants has been considerably reduced, and important measures towards better cooperation in combating terrorism have been taken. Equally, economic indicators from all over the EU (including the Eurozone) have improved. Remarkably, the EU has maintained a unified position on the sanctions towards Russia and agreed on a broad global strategy for its foreign and security policy.

Finding compromises on divisive long-term issues such as the future of the Eurozone, the reform of the EU’s migration and asylum system or more specific strategies for the EU’s foreign and security policy has proven more difficult. Consensus on long-term reforms is lacking. This is also due to the felt or imagined pressure at home: Populist movements will depict compromise on some questions as a betrayal of national interest.

Overall, there is a more committed but also more sober approach towards European integration: When the President of the European Commission Jean-Claude Juncker published five scenarios on the future of the European project in March 2017,¹ most member states subscribed to the fourth scenario (“doing less but more efficiently”): concentrate on the main priorities (with more means) and do less in other areas. The general thinking seems to suggest that an uncritical support for “more Europe” will not be welcomed by the domestic electorate.

Ideological diversification in the EU has led to different preferences regarding the pace and the priorities of the integration process: While France, Italy and Spain for example strongly promote further integration, the Nordic countries, the Netherlands and the Visegrad countries (Czech Republic, Hungary, Poland and Slovakia) are more cautious in most matters. While most of the EU member states prioritise security issues, countries such as Italy and Greece emphasise the importance of enhancing the EU’s social dimension. In particular, France and Italy have pushed for more differentiated integration, arguing that this would be a more suitable response towards the member states’ diverging ambitions and capabilities. Thus, the issue of differentiated integration in the European Union has been gaining momentum: In a 2017 Eurobarometer poll among EU citizens, the number of those preferring differentiated, two-tier integration has surpassed the number of those who advocate a common approach at all costs. There is, however, no consensus

¹ European Commission, “White paper on the Future of Europe,” 2017, https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf.

on what a “European core” would look like and which countries it would include. Furthermore, most of the Central and Eastern European member states have opposed differentiated integration, fearing to be left behind and becoming second-class EU members. This has led them to join new initiatives despite their initial scepticism. For example, all Central and Eastern European countries recently joined an initiative for closer defence cooperation put forward by Germany, France, Italy and Spain, primarily in order not to be left behind by other EU member states. On the other hand, pressure for more differentiated integration in other areas, such as the reform of the Eurozone, has increased. For now, the EU is unlikely to split into an even closer Union and a less-integrated part. It remains, however, to be seen whether this remains true in the coming years if opinions on key issues such as migration, the priorities of the EU budget, and the control of the rule of law keep diverging.

As a reaction to domestic pressure, both the EU and its member states have made attempts to reconnect with their citizens and include them in the dialogue on the future of the EU: One such example has been the consultation process of the European Commission following the presentation of its white paper on the future of Europe. It attempted to include civil society in a structured dialogue and organised roundtables with citizens on this topic. Despite relatively strong initial public attention on this process, the dynamic has somewhat faded in recent months. Another initiative was Emmanuel Macron’s promise in his famous Sorbonne speech in September 2017² to initiate so-called “democratic conventions” with ordinary European citizens—now dubbed citizen consultations—ahead of the European elections in order to give citizens the opportunity to voice their demands and expectations concerning the EU. While this proposal has received notable attention, some suspect this to be an example of hectic activism rather than a thoroughly planned process. An important element to increase visibility and democratic legitimacy of the EU would be the continuation of the so-called “Spitzenkandidaten” (*top candidate*) process for the European elections in 2019: In 2014, the transnational European parties, such as the EPP, the European Socialists, the Liberal and the Greens, nominated candidates for the European Commission in order to increase the visibility and the personalisation of European elections, and to make them more similar to national elections. The European Parliament has also already made it clear that it will not accept any candidate for the European Commission President who is not the “Spitzenkandidat” put forward by a political family for this post. Several of the EU heads of state and government have, however, been less enthusiastic regarding the continuation of this process.

² “Initiative pour l’Europe—Discours d’Emmanuel Macron pour une Europe souveraine, unie et démocratique,” 26 September 2017, <http://www.elysee.fr/declarations/article/initiative-pour-l-europe-discours-d-emmanuel-macron-pour-une-europe-souveraine-unie-democratique/>.

Overall, despite increasing ideological diversity, pressure by populist movements at home and—in some cases—the crisis of traditional parties, the EU has not fallen apart. Instead, it has often demonstrated that it is capable of acting and responding to the challenges. In this context, two elements merit particular attention:

1. In several EU countries, populist movements were “tamed” by including them in government, thus forcing their representatives to deal with the intricacies of EU politics. This in turn forced some of these parties to—at least temporarily—moderate their anti-EU or Eurosceptic discourse. This has been largely the case with the True Finns Party in Finland but also in Austria’s government coalition of the right-wing populist FPÖ and the centre-right Austrian People’s Party (ÖVP). In this context it is remarkable that the ÖVP has succeeded in agreeing on a clearly pro-European coalition agreement with the FPÖ in the new government under Austrian chancellor Sebastian Kurz. On the other end of the political spectrum, far-left populist head of government Tsipras had to—albeit reluctantly—implement economic reforms which he had campaigned against a few years previously.

2. Socialisation by European institutions: The European Council, which defines the guidelines of EU policy, consists of heads of state and government with very different ideological backgrounds. Nonetheless, it has continued to work and deliver. The fact that 27 heads of state and government succeeded in agreeing on a common declaration³ on the future of the EU in March 2017, in Rome, demonstrates that the European Council is an important forum for socialisation which is able to absorb or moderate very different political views. Furthermore, Europarties, such as the Christian Democratic and Conservative European People’s Party (EPP) and the Party of European Socialists (PES), have influenced their member parties: While their impact should not be overstated, both played an important role in moderating sceptical views on EU issues among their member parties.

PERSPECTIVES

Despite profound domestic changes in several member states, the EU has demonstrated its resilience, and has so far avoided a domino effect following the UK’s decision to leave the EU. 2018 will, however, be an important year: France and Germany are expected to put forward common plans for further integration in some key policy areas—at the same time the new coalition in Italy will not make it easier to find consensus on broad EU reform. While the EU has so far been able to absorb many “domestic political shocks”, the ascension of strongly anti-European forces to power (not as a coalition partner but as a main or only government party) in one

³ European Council, “The Rome declaration - Declaration of the leaders of 27 member states and of the European Council, the European Parliament and the European Commission,” 2017, <http://www.consilium.europa.eu/en/press/press-releases/2017/03/25/rome-declaration/pdf>.

of its three biggest countries—in this case, Italy—would be a challenge. Difficult coalition-building at the domestic level (not only in the three above-mentioned countries) may equally limit the ability to make far-reaching compromises at the EU level. 2018 will also be a test for the EU's promise to deliver on concrete projects for its citizens: The reform of the migration and asylum system, the reform of the Eurozone, concrete measures to step up the fight against terrorism, the conclusion of the negotiations on the future EU budget—these are all challenges for which crucial steps will have to be taken this year. The EU summit in the Romanian city of Sibiu in May 2019 just before the EU elections will demonstrate whether the EU has managed to deliver on its promises.

The European Parliament elections in 2019 could therefore be a milestone for citizens to assess the performance of the EU and its leaders in the past and their projects for the future. Even if the performance is considered satisfactory, this will, however, not necessarily lead to a glorious triumph for the pro-European forces. Rather, domestic grievances—and the desire to punish one's own national government—will likely continue to influence the voter's decision.

Most of the causes for the success of populist or Eurosceptic parties (such as migration, global competitiveness pressure, digitalisation as well as the dissolution of social and electoral milieus) are likely to stay.

In order to best counter the populist claims in favour of more closed societies, the EU, its member states as well as its political parties will have to prove that the EU is an open system, which is at the same time able to provide protection for its citizens. Substantially increasing cooperation in matters of security and defence as well as the fight against terrorism could help to increase the support for the EU as a provider of important public goods.

At the same time, closing the gap between deeds and expectations will be crucial in order to avoid disappointment: progress in many key areas (migration, economic governance, security and defence) will likely be steady, but slow. An overall more honest discourse on the EU and what it can deliver will be an important element to increase acceptance among citizens for the European integration project.

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