

WHAT IF?

Analysis & Insights
June 2016

HOW A POSSIBLE 'BREXIT' MIGHT IMPACT THE EUROPEAN PARLIAMENT

What only a decade ago seemed unimaginable, has now entered the realm of the conceivable.

With the results of UK referendum still on a knife's edge, FleishmanHillard (FH) is examining what an exit might hypothetically mean for the institutional setup in Brussels.

This insight piece focuses specifically on how a UK exit might impact the European Parliament: What would be the implications on EU policy-making should 73 British MEPs leave their seats, in the current legislative term and beyond? How would the political group dynamics be impacted? How might the current coalitions change in any new arrangement?

5 POSSIBLE EVENTUALITIES

- + The Grand Coalition would become more fragile with a possible return to the traditional left v. right alliances
- + ECR and EFDD groups would face extensive political change
- + The policy-making priorities will evolve towards a more interventionist and protectionist stance
- + A UK exit would likely necessitate a widespread reallocation of senior EP positions
- + Larger Member States might not push for a reallocation of vacated seats

A GRAND COALITION ON MORE FRAGILE GROUND

From the perspective of the political balance in the European Parliament, with 73 MEPs potentially leaving the house, the qualified majority threshold would be lowered from 376 votes to 340.

The current Grand Coalition imperative would still hold, in that only the combined votes of the EPP and S&D would exceed that threshold. However, it would stand on more uncertain ground than it currently does. A combined centre-right block (EPP, ECR and ALDE) would fall just short of a majority as would a coalition of the left (S&D, GUE, Greens) plus the liberals.

Both blocks would therefore only need to attract a small amount of additional support from individual MEPs from other groups or from non-attached Members. A greater tendency towards left versus right alliances could also strengthen the hand of the ALDE group within the Parliament, potentially re-emerging as a more definitive 'kingmaker' courted by the largest political groups on an ongoing basis.

UPHEAVAL WITHIN ECR AND EFDD

Within the ECR and EFDD groups, any exit of UK MEPs would create major political upheaval. The ECR's loss of its British conservative membership would leave the group dominated by Members from the Polish Law and Justice Party (PiS), which would dwarf other delegations including the Belgian NVA, the Dansk Folkeparti, and the German Alliance for Progress and Renewal (ALFA). The PiS would almost certainly assume the chair of the group. The EFDD group, with the departure of its 22-strong UKIP delegation, would, by a fine margin, no longer be a viable political group (the threshold is 25 MEPs from 7 Member States—without UKIP the EFDD would have 24 MEPs from 7 Member States).

With both groups potentially hit hard, attempts at political reshuffling by some delegations and individual MEPs are likely. The fate of the 17 members of the Italian "Five Star" movement, currently an EFDD member and emboldened by recent national electoral success in Italy, could be significant in terms of the wider Parliament. For example, if Five Star were to join the GUE group, then, in theory, any coalition between GUE, S&D, Greens and ALDE would rise above the majority threshold. However, the variety of voices could undermine any efforts to secure a lasting stable voting pattern in this constellation. Likewise coalition building with the ECR without the UK conservative delegation could also become a more challenging task.

The Europe of Nations and Freedom (ENL) group, led by Marine Le Pen and dominated by the Front National delegation, could look to pick up members of a potentially dissolved EFDD group, which could theoretically strengthen, in relative terms, the voting weight of the group in the Parliament.

Grand Coalition	 +  = 389
Centre/Centre-left	 +  +  +  = 338
Centre/centre-right	 +  +  = 337

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CHANGED DYNAMIC ACROSS KEY POLICY AGENDAS

Hypothetically, the departure of the UK MEP delegation would likely lead to changes in the overall positioning of the Parliament on core policy issues.

For example, the ECR's strong stance on the subsidiarity principle and focus on a free market-oriented agenda would diminish and could change the overall outcome of EU legislation.

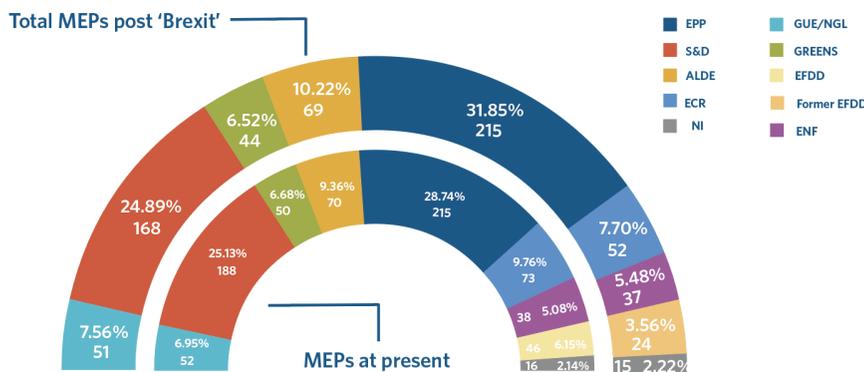
On the S&D side, the departure of 20 UK Labour MEPs could potential move the centre of gravity of the group further towards the left. At the same time, priority policy areas such as consumer protection, copyright, migration and

trade, where UK MEPs are central to many of the major debates in the Parliament, may be affected.

CROSS PARLIAMENTARY REALLOCATION OF SENIOR POSITIONS

In the actual event of a Brexit, the redistribution of key positions, such as Committee Chairs and Vice-Chairs in EP bodies would of course need to take place, and will no doubt cause significant political horse trading between delegations in trying to rebalance the composition of committees and distribution of influential positions. As a predominant example the internal market Committee (IMCO) would no longer be chaired by a UK MEP.

AT A GLANCE



Group	% Share of seats lost/gained due to a 'Brexit'
EPP	+ 10.81%
S&D	- 0.97%
ECR	- 21.06%
ALDE	+ 9.23%
GUE/NGL	+ 8.68%
GREENS	- 2.48%
EFDD	- 42.18%
ENF	+ 7.90%
NI	+ 3.89%

- + **The EPP group would see a reinforced influence in the House:** It would be the only political group to keep all its seats, which, in proportional terms, would give the group a larger share.
- + **Socialists & Democrats' would see an unaltered overall share** despite the loss of 20 UK Labour seats.
- + **The Greens could also see a similar outcome** to the S&D, maintaining overall share despite losing seats.
- + **The ECR group would be hit hard:** While in absolute terms, the ECR group would face the same loss as the S&D (20 seats), they would see a reduction of over 20% of their political share in the plenary.
- + **ALDE and the GUE gain share:** The loss of only one seat

- would mean that the ALDE group would overtake the ECR in terms of number of MEPs, increase its share by 9% and become the third largest parliamentary group. Similarly to ALDE, the left wing GUE would also increase its share in plenary by almost 9% through the loss of only one seat.
- + **A new EFDD?:** As each political group needs to count at least 25 MEPs elected from seven different Member States, the EFDD group would no longer have the required representation to continue to exist in terms of total number of MEPs (24 instead of a minimum threshold of 25). The remnants of the group could therefore conceivably re-emerge as a new political group involving other delegations currently non-attached.

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BEYOND THE 2019 ELECTIONS: SEAT REDISTRIBUTION COULD BE UNFAVOURABLE TO LARGEST MEMBER STATES

There is no (immediate) institutional requirement to refill the 73 empty seats that would be left vacant by UK Members in the event of a Brexit. The Treaties give the European Parliament a maximum number of 750 Members plus the President, thereby making it possible to have a European Parliament consisting of fewer Members.

But would European Leaders redistribute these seats to other Member States? Or would the Parliament be left reduced in size in the long term? Whilst there is no definitive answer to what would happen, there would be some more likely scenarios than others.

MEPs of the largest Member States such as Germany, France, Italy, Spain and Poland already represent more citizens per MEP than smaller Member States. Resistance can therefore be expected from larger countries to any redistribution, if it results in more underrepresentation of their Member States in the Parliament relative to the medium-sized and smaller countries.

In particular, Germany has the maximum of 96 MEPs and would not be able to gain any additional seats under the current rules. A full redistribution of all 73 seats is therefore unlikely given the unanimous decision-making that would be required for that to happen.

Country	Size of Population	Number of citizens that each MEP represents in Parliament
Malta	425 384	70,897
Luxembourg	549 680	91,613
Cyprus	858 000	143,000
Poland	38 495 659	754,817
Germany	80 780 000	847,458
UK	64 308 261	880,936



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