

# The 2024 EU Parliament elections and beyond

What's at stake, and what's the impact?

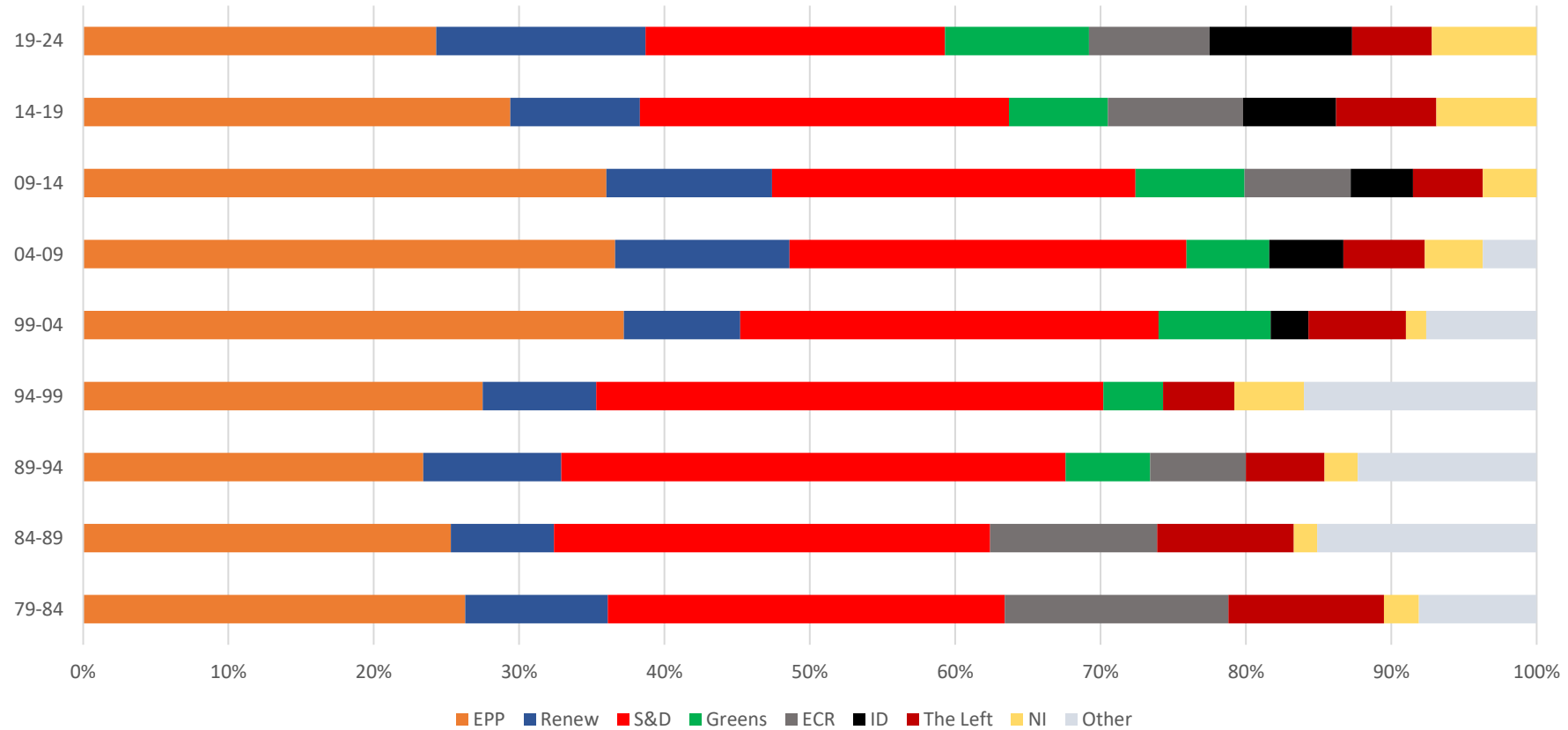
**Karel Lannoo, CEPS**

# EU 2019-2024

- Heavy legislative agenda
  - Green Deal & energy transition
  - Digital agenda
  - Covid and post-Covid
  - Financial markets
  - Russia sanctions
- Assertive European Commission under Von der Leyen Presidency
  - Geopolitical Commission
  - Strategic autonomy
- 4 solid pro-European blocs (70% combined) in the European Parliament
  - Very active on Covid & Big Pharma, DMA/DSA/AI & Big tech, Green dossiers

# EP groups in perspective

1979-2019: decline of centre, growth of nationalist/eurosceptic



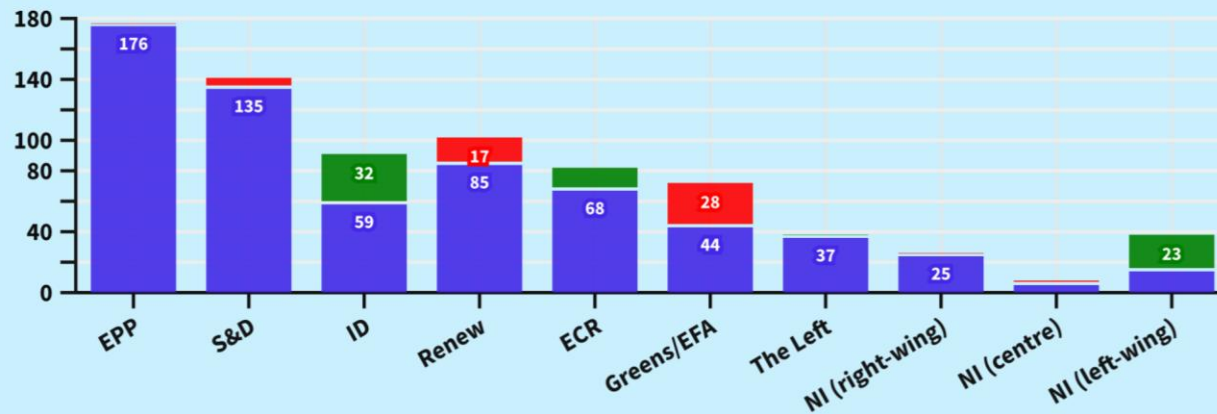
# Big change expected with 2024 elections

## Greens to become 6<sup>th</sup> fraction?

### Projection of changes of power among political groups after EP 2024 elections

Based on current / intended group composition

■ Number of seats ■ Seats gain ■ Seats loss



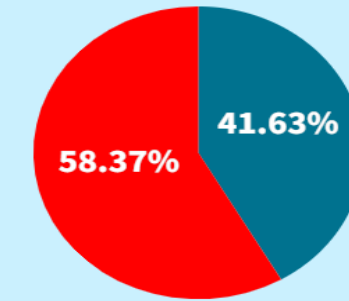
Note: Data elaborated in March 2024, taking into account 720 seats



### Projected share of new MEPs after 2024



■ Re-elected MEPs ■ New MEPs

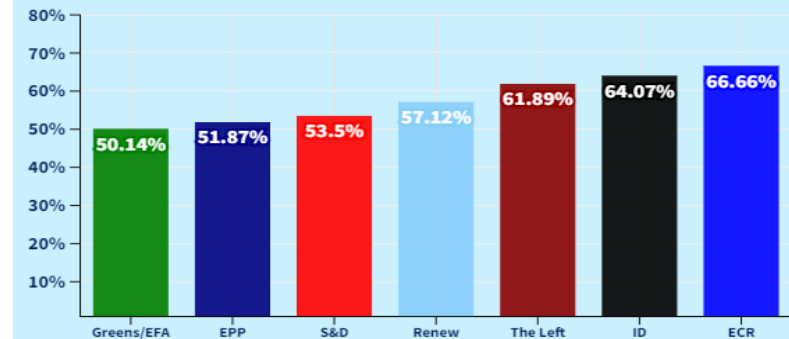


Source: Data elaborated in September 2023

● A Flourish chart

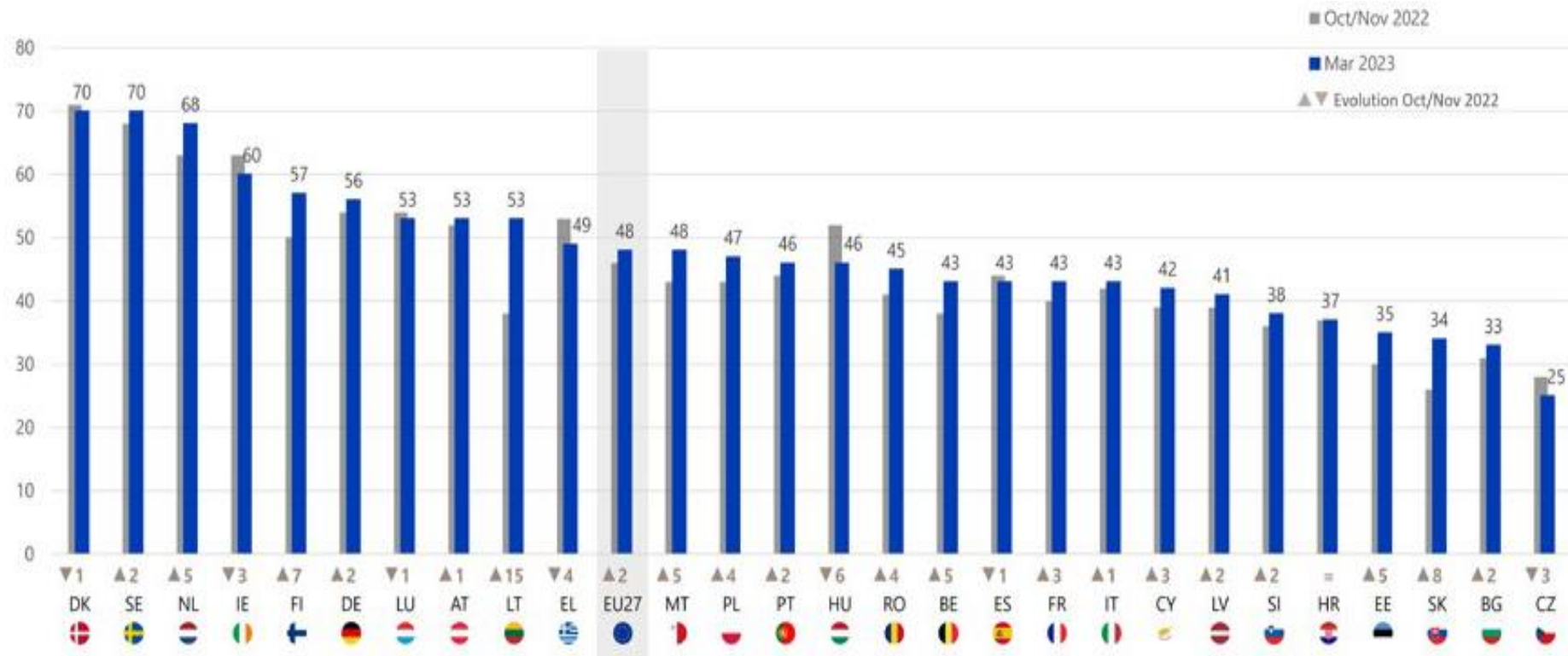
The groups that will have the most new MEPs are those projected to grow the most, namely ECR and ID, while the Greens will replace about half of their MEPs.

### Estimated share of new MEPs by political group



Note: Data elaborated in September 2023

# Interest to vote in EU elections limited



Eurobarometer, Spring 2023

# Next Commission 2024-2029

- Continuation of current themes
  - Geopolitical Commission, EU defence policy
  - Strategic autonomy (or 'autarky'?, see '*Antwerp Declaration*' 21 Feb)
  - Net zero
  - Heavy implementation and enforcement agenda (digital, green, finance, sanctions,...)
  - How to position towards China?
- Competitiveness
  - Nothing new: try to agree on a definition (see P Krugman article of 1994)
  - Complete single market, but how to stop regulatory roller-coaster?
  - Tighter application of state aid rules
  - Greening of labour markets, just transition, supply chains
- Enlargement
  - Ukraine, Moldova by 2030?
  - Western Balkans from 2025 onwards?
- Institutional reform agenda?
  - Treaty reform is an excuse, much can be done without

# When next EU enlargements?

|                           | <b>Candidate-member</b> | <b>Agreement on accession negotiations</b> | <b>Start negotiations</b> | <b>EU-Member</b> |
|---------------------------|-------------------------|--------------------------------------------|---------------------------|------------------|
| <b>Montenegro</b>         | 2008                    | 2010                                       | June 2012                 | 2025?            |
| <b>North-Macedonia</b>    | 2005                    | 2020                                       | July 2022                 |                  |
| <b>Serbia</b>             | 2009                    | 2012                                       | January 2014              |                  |
| <b>Albania</b>            | 2014                    | june 2018                                  | March 2020                |                  |
| <b>Bosnia-Hercegovina</b> | 2024?                   |                                            |                           |                  |
| <b>Kosovo</b>             | 2025?                   |                                            |                           |                  |
| <b>Moldava</b>            | 2022                    | 2023                                       | January 2024              | 2030?            |
| <b>Ukraine</b>            | 2022                    | 2023                                       | January 2024              | 2030?            |
| <b>Georgia</b>            | 2023                    | 2024                                       |                           |                  |
| <b>Turkey</b>             | 1999                    | December 2004                              | 2005                      | ?                |

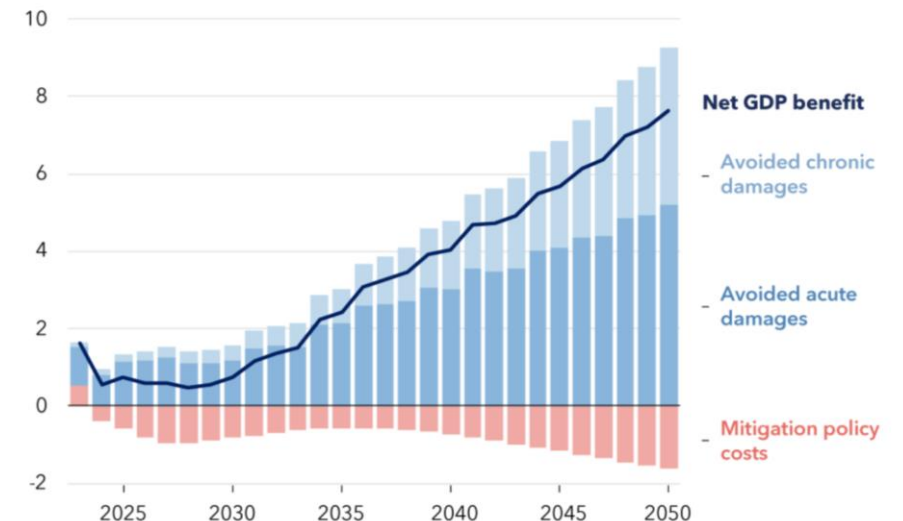
# Green agenda

- No way back
- Implementation and enforcement is key
- Main components:
  - Emissions Trading System (ETS) and **green energy** transition
  - **Green finance** (disclosure rules, reporting, value chains due diligence)
  - **Circular economy**, biodiversity
  - Just transition mechanism
- **Double materiality** in accounting: financial effects and potential impact of investments
  - Standards are set by ISSB at international level and EFRAG and EU level
- Exaggerated? No reason for delays

## Green returns

The economic benefits of accelerating the transition to a low-carbon economy vastly outweigh its cost.

**World potential GDP benefit under net zero carbon emissions by 2050**  
(percent deviation from reference scenario)



Sources: NGFS (2023), Scenarios Portal; IIASA (2023), NGFS Phase 4 Scenario Explorer; and IMF staff calculations. Note: NiGEM model with REMIND-MAGPIE inputs. The reference scenario is the Current Policies scenario with no transition but physical risk.



# Difficult international agenda

- Enlargement discussions in a more right-wing EP, how?
- International agenda
  - WTO reform non-existent, role?
  - Aggressive **Russia**
  - **China's** charm offensive only temporary
  - More vocal Global South, which side will **India** go?
  - Even more assertive US
  - Subsidy wars
- How to conclude trade deals in the future?
  - CBAM and trade
  - ESG factors

# To conclude

- Next EU Commission to be even more geopolitical
  - Economic security
  - Enlargement
  - Defence policy, but how?
- Focus on **competitiveness** and **single market** is nothing new
- EU remains fragile construct
- Support open trade, WTO is central
- ESG goals here to stay
- Prepare for a different EP: core groups (EPP and S&D) ‘remarkably stable’, but many newcomers, and stronger eurosceptic groups