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European elections: what are the priorities for the new legislature?

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The European elections have delivered their verdict. On the basis of contrasting national results, but showing strong trends on a continental scale, the European Union is now entering an intense political phase, which will allow priorities for the next five years to be defined, particularly regarding the continued implementation of the Green Deal initiated in 2019. As visions for the future and tradeoffs will inevitably compete, what should these priorities be? While supporting business competitiveness in the face of other economic powers will play a decisive role, it will not solve all of the problems that are reflected in the votes of many European citizens who want to regain control of their future. Political debates and negotiations on these key issues cannot ignore the questions of resilience, resource dependency and sustainability. In this respect, the objectives of the ecological transition remain essential long-term guidelines.

Some degree of stability

The European election results, although sending shock waves through France, do not fundamentally disrupt the balance of power in the European Parliament. Conservatives will continue to be at the centre of the emerging coalition, their position being strengthened by these elections—German MEPs are key to this bloc while France has very little representation. This bloc will probably include social democrats, whose position has remained stable, and liberals, who remain the third strongest political force. Mindful of the growing vote for the far right, this coalition may be more inclined to limit the ambition of environmental policies, particularly on biodiversity, the agricultural transition and pollution, beyond that which has already been decided in terms of decarbonization under the Green Deal, which is helping to increase Europe's energy security (via renewable energies) and competitiveness (via green technologies). However, while the green parties have lost ground in France and Germany, this is not the case in other key countries, and their support could prove important for agreements that would be drawn up on a case-by-case basis.

Moreover, a number of things seem certain: many companies have invested in the transformation of their business models and, above all, need a predictable regulatory environment rather than midway policy reversals. A significant proportion of citizens in many Member States remain committed to the objectives of the transition¹, but question the fairness of effort sharing, and have indicated that their declining economic situation and/or the conditions under which they live, work and consume do not allow them to choose the transitional path.

Long-term competitiveness: what policies?

The definition of new European industrial policies will be a major challenge for the next legislature (IDDRI, 2024) to confront the interventionist policies of the United States and China, particularly in terms of green industrialization, and to ensure the continent's strategic autonomy. Major political negotiations will be involved, with parties and Member States needing to reach agreement on points of divergence: how should these policies be financed at the European level to ensure the cohesion of the European Union? What instruments, such as regulations, investment subsidies and support for innovation, should be used to foster long-term competitiveness? What partnerships can we build with other regions of the world, with whom interdependence is inevitable and where purely unilateral protectionism is not a solution? The emerging economic powers and other countries of the Global South are also paying close attention to Europe's possible withdrawal into itself, from both a political and an economic perspective.

On each of these issues, the challenges associated with the global race to decarbonize, the steering of the long-term objectives of the ecological transition, and prioritizing the circular economy will inevitably play a central role, even if the political core of the Parliament will strengthen the demand for fewer constraints and greater support for businesses in a globalized world. France, which seemed to be the champion of these new industrial policies (changing the approach to trade, budgetary and State-aid policies), has been weakened by the current political context. In these circumstances, the reports by [Enrico Letta](#) and Mario Draghi (forthcoming) on these issues (strengthening the internal market, transition financing, competitiveness) are all the more important. </p> <p>In terms of the agricultural transition, biodiversity and the fight against pollution, the Green Deal proposals had already been largely halted by the end of the previous mandate. But the status quo will not be tenable, given the problems of economic viability that are intrinsic to the agricultural sector and the economic and health consequences of pollution. The new Commission and the agricultural sector will have no choice but to re-establish a negotiated approach to defining a new project for the European agricultural and agri-food sector (<a data-cke-saved-href="https://publications-and-events/www.iddri.org">IDDRI, 2024), that will inevitably include issues of resilience and

viability, in both ecologic and economic terms. We await the results of the strategic dialogue initiated by the outgoing Commission in early 2024.

Redefining the social contract with citizens: a universal challenge, but what will be Europe's role?

Finally, the potential doctrinal change on key macroeconomic policies (Member State debt and common debt, competition and State aid, trade policies) will not be sufficient to meet the expectations of citizens, who are little consulted on economic policy. If the social and economic impacts are poorly anticipated, there is even a risk of reinforcing the resentment felt by some Europeans, which is one of the driving forces behind the rise of the far right. It is therefore essential to seek answers to the following questions: what does the European Union's "sustainable competitiveness" mean for its citizens? What objectives does it aim to achieve for its citizens? Will it provide more jobs, and in which sectors, and how will they be distributed between Member States and regions? Will these be higher level jobs (salary grades, autonomy, etc.), with greater redistributive capacity for better social protection or better public services, etc.? In other words, what social contract/pact should we offer to the men and women who will be the actors in this European competitiveness, and which will undoubtedly require their effort (productivity, flexibility, wage pressure, etc.)? ([IDDRI, 2023](#)).

If national and European political debates do not tackle these issues head-on, the next European term of office will run the risk of further massive political blockages, despite the appearance of continuity in the Parliament itself. While the guiding principles exist, such as the [European Pillar of Social Rights](#), the issue is about speeding up their implementation to build a genuine social pillar for Europe, without which it will not be able to respond to the many challenges it faces ([Friends of Europe, 2024](#)), competitiveness being one of them.

¹ <https://www.bva-xsight.com/sondages/union-europeenne-preoccupations-et-perceptions-des-citoyens-europeens/>