



Focusing on the right things

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The European elections have been and gone. The jury is in. And the verdict is - well, what exactly? In the UK, the headlines were captured by the gains made by the UK Independence Party, which secured 27 per cent of the vote, an increase of 11 per cent on the previous European elections. In France, the main story was the onward march of the Front National – 25 per cent and counting. Elsewhere, anti-Europe, anti-immigration and ‘anti-austerity’ parties made significant progress.

Depending on how you classify them – and that is an art-form in itself - ‘parties of protest’ will make up some 15 per cent of the new Parliament. The big centre-left and centre-right groupings, which used to make up over 60 per cent of the seats, now have not much more than half. But the turnout remained low – 43 per cent across the EU, and just 34 per cent in the UK, as low as it has ever been.

The political classes across Europe and in the European institutions have clearly been given a shock. But what do the results mean, and what should they do about it?

The one glaringly obvious point is that many of the people who cared enough to vote aren’t happy: either because they do not like what the EU is doing (or what they think it’s doing); or because they do not like what their own national government is doing; or because of the economic and financial hard times of the last few years; or because they are disillusioned with the whole political system. Or a combination of all of these factors. And a lot of people either weren’t aware of the European elections, or did not care enough to vote (except in Belgium and Luxembourg, where voting is compulsory).

So what conclusions should Europe’s politicians draw from all of this? First, that collectively - and with one prominent exception - they have not managed to make their case in a way which either addresses popular unhappiness or enthuses the electorate. European leaders need to show they understand that. David Cameron, Angela Merkel, Francois Hollande and Mark Rutte have all talked - in broad strokes - about learning the lessons, and about the need for reform to address people’s concerns. They need to find a way to make good on those messages.

The big exception to the rule was Italy, where Matteo Renzi’s centre-left, pro-European party scored over 40 per cent, on a 60 per cent turnout, with a message of hope and optimism at a time when Italy is struggling with some pretty stiff domestic challenges. Renzi’s counterparts could perhaps take some tips from him.

The second conclusion is that the EU institutions need to get off on the right foot for the new five-year term. This begins with the choice of top jobs, in particular the presidency of the European Commission. The stage is set for a bout of arm-wrestling between the new European Parliament - many of whose members think that it has a clear right to decide who gets the job - and the Council - many of whose member governments are equally firm that it does not.

The search is on for a candidate who has the personal qualities to lead the Commission; who can simultaneously win support of a majority of national governments and 376 votes in the EP; and who can, ideally, persuade European voters that new management will do better than the last lot. Herman van Rompuy, the outgoing President of the Council, has been tasked with finding a person who can deliver that. As they say, ‘Good luck with that one’. Many names have been put forward, and many objections raised. The only safe prediction is that the process will take some time to resolve – which means that the new Commission may not get off to a flying start.

But whatever happens on the top jobs, the EU needs to show that it will be focusing on the right policies. For most people, that means action to promote growth and create jobs. There is a lot that can be done from Day One, with the number one priority being to complete the Single Market, ensuring that all member states obey the rules, and taking action to make sure that the playing field is genuinely a level one.

The Commission and Council need to act to removing barriers to cross-border provision of services, from construction, to architecture, to accountancy; to make cross-border e-commerce seamless, including tackling practical measures like product delivery and sales promotion; and to making a reality of the internal energy market, to deliver security of supply and bring down costs to businesses and individual consumers alike. Achieving this could give a massive boost to growth and jobs across Europe.

And the EU needs to step up its efforts to secure ambitious free trade agreements with the USA and Japan, which could have a dramatically positive impact on the European economy over the medium term.

Focusing on the right things also means showing a commitment to reduce burdens on business – to regulate less and better. And the EU needs to provide a convincing response to the charge that it interferes too much in things which are better left to individual member states. The Council has a golden

opportunity to set down some new ground rules here - the Commission should respond clearly and positively.

More broadly, national and European politicians both need to show to disengaged and mistrustful citizens that they are working hard for a more prosperous and secure EU. The relationship between national parliaments and the European Parliament has to be, and to be seen to be, closer and more productive. This will demand a lot of politicians in national capitals and in Brussels and Strasbourg. The Commission and the Council Presidency have a tricky role to play in seeking to manage the tensions which will inevitably emerge.

The Italian government takes the EU's rotating Presidency in July. It has said that its key priorities will be the Single Market,

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jobs, and trade - exactly the kind of agenda that Europe needs. The backdrop is a challenging one. But perhaps, having succeeded on his own home turf, Renzi can help create some momentum on the European stage. ■