

# SNAPSHOT

The latest updates from the team at FTI Consulting in Brussels

*Giving you insight to what is on Europe's political agenda*

## Brexit and the European Parliament. What to expect?

February 2020

With the departure of the United Kingdom from the European Union (EU), 73 British MEPs have now departed the European Parliament. Some of these seats are being redistributed, while others will remain unfilled. How could this affect the equilibrium between the political groups in the European Parliament? How could policymaking in priority areas for the next five years be affected: notably the Green Deal, the Digital Agenda and Economic EU Sovereignty?

### Crunching the numbers

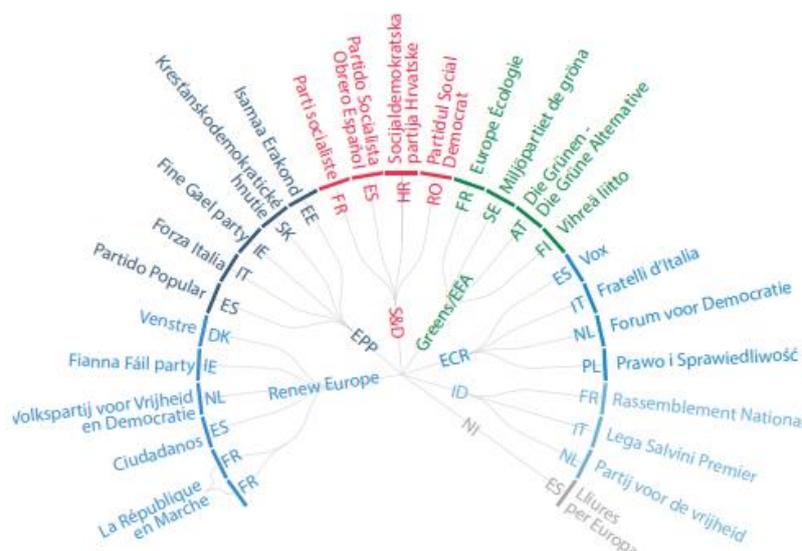
The total number of MEPs will drop from 751 to 705. Of the 73 vacated seats, 27 have been redistributed to other Member States and political groups. 46 are not being assigned and will be made available either for future EU enlargements; or for the potential creation of transnational lists (with a pan Union constituency).

The seats are being proportionately re-distributed among 14 Member States (see Figure 1 below), based on the 2019 elections.

Figure 1 The graph above represents the division of the 27 available seats over political groups, Member States and national parties. Source: [EPRS](#)

So who wins and loses? It's not a straightforward process as some groups lose their British MEPs but gain with the redistribution, meaning tone and priorities could be changing beyond just the total number of overall seats each group has.

Which groups have lost their British seats? Nigel Farage's Brexit Party, who were not affiliated, represent the biggest total number of former British MEPs, with twenty-seven now leaving the chamber. Renew Europe (RE), the former ALDE, representing the central liberals, is next with the departure of seventeen Liberal Democrats. Close behind are the Greens and the left of centre Socialists and Democrats (S&D) who will lose eleven and ten seats respectively. The European Conservatives and Reformists (ECR), the traditional home of the UK Conservative party, lost seven. The European United Left–Nordic Green Left (GUE/NGL) loses one.



The loss of these British voices has been replaced with some gains for the groups that have been hardest hit. So, who benefits from the redistribution? RE offsets its losses with six new seats. The right of centre European People's Party (EPP), who are already the largest group in Parliament, is the biggest beneficiary of the redistribution process overall, gaining five seats, having had no British MEPs to start with. S&D, ECR and the Greens secure an additional four seats each. The far-right Identity and Democracy (ID) and the non-aligned secure an additional seat each.

## What does this mean?

Overnight, the EPP finds itself in a better position vis-a-vis its traditional coalition partner, the S&D. Yet, the combined weight of the two will not be enough to form a majority; with 335 MEPs, they are short eighteen. However, combined with RE's MEPs, the three traditional groups will now have a comfortable margin of eighty overall. To illustrate the point, the pre-Brexit majority of the three groups was smaller with a sixty-nine MEP majority. As a combined force, Brexit has benefitted them. However, considering potential absences during votes and internal frictions, which are particularly evident within the EPP, it is not clear whether this majority will in practice be strong enough to shape the political agenda as it wishes.

On individual issues, a helping hand could come from the Greens, thanks to their moderate stance in the political spectrum and their pro-EU attitude. However, the Greens lose their position as the fourth biggest group in the Parliament to the conservatives in the ECR. Naturally, this would be contingent on the Greens not finalising the talks with the Italian Five-Star Movement on their accession to the group. If these negotiations are successful, the Greens will retain their former position in the hierarchy.

## What to expect in key policy areas?

**Sustainability** will be a key theme in the current legislature. The approach and position on the issue will be particularly affected by the changes for two reasons. First, the British MEPs across the political group had a track record of taking stronger pro-environment stances than other delegations. Second, RE, S&D and the Greens tend to have aligned positions on these issues, despite differences in their levels of ambition. While the three groups lose seats with Brexit, the more conservative EPP Members improve their advantage vis-à-vis them, thus strengthening their negotiating position.

Analysis of the recent roll-call votes on the EPP amendment to the Motion for a Resolution on the European Green Deal,

which would have reduced the proposed 55% target in cuts of CO2 emissions to "at least 50%" is very illustrative. The votes were 219 in favour, 453 against and 30 abstentions. When eliminating the British votes of ECR (Conservatives) and NA (Brexit party) in favour; and S&D (Labour), RE (Lib-Dem), Greens (Green Party) against, the majority for more climate ambition becomes smaller, but not enough to change the overall result. This seems to suggest that the effect of Brexit on EP votes will only manifest itself on the most divisive sustainability issues.

**Digital policy** implications are less clear. British MEPs had generally advocated for industry-friendly positions. EPPs voice will not change as they had no British MEPs. However the loss could change the internal power balance in the S&D and RE Groups as British MEPs had counterbalanced the more radical demands of some continental European delegations. Hence, we expect a polarisation in both group's positions on tech issues. The ECR's position was to a large extent shaped by the British Conservative Party. In the 2019 elections, its leadership was transferred to Poland's Law and Justice MEPs, who are expected to maintain tech-friendly positions.

On **Economic issues**, a particular topic to monitor is **Trade**. Currently, it remains to be seen whether the changed composition of the post-Brexit European Parliament will bring a greater shift in the balance of power on trade-related decisions. First, because the shrinking that the free-trade camp will experience due to the decline of liberal-centrist forces (RE) will be counterbalanced by the influx of EPP mandates, and by the fact that groups on the right that gained seats (ID) are not necessarily very protectionist trade-wise. Secondly, even if UK MEPs have generally tended to be stronger advocates for liberal markets, business and free trade, liberal Belgian and Dutch MEPs may step up to the role with their departure, to counter-balance Franco-German stances. Despite the changing political landscape, the balance of power is likely to remain rather stable.

Another interesting policy area is **Tax**. Whereas the European Parliament does not have legislative powers on tax policy, MEPs can provide guidance and suggestions to the European Commission and the Council. Importantly, UK MEPs have attempted to shield the UK's crown dependencies (Jersey, Guernsey and the Isle of Man) and UK overseas territories (like Bermuda, Cayman) from taxation. Without British MEPs in the Parliament, we can expect other delegations will be more than happy to condemn these territories as tax havens and urge European action on them.

## Notable departures among the MEPs and their replacements

Out of the 73 British MEPs leaving the European Parliament, four are particularly worth mentioning considering their positions in the Parliament committees: Seb Dance (S&D), Vice-Chair of Environment and Public Health Committee (ENVI); Julie Ward (S&D), Vice-Chair of the Culture and Education Committee (CULT); and Lucy Nethsingha and Chris Davies, Renew Europe's Chair of the Committees on Legal Affairs (JURI) and Fisheries (PECH), respectively. Apart from the loss of their profile in the debates, their departure means that new chairs and vice-chairs must be elected.

Following the Parliament's rules of procedure, the positions are assigned to MEPs from the same groups, which means that RE retains the chairmanships of the Committees on Legal Affairs (JURI) and Fisheries (PECH), and S&D keeps the two Vice-Chair positions in the Environment and Public Health Committee (ENVI) and the Culture and Education (CULT) Committee. The candidates are chosen by and among the members of the two groups belonging to the respective committees, followed by a formal vote by the Committees during the first meeting in the 'new' mandate.

## To conclude

The departure of the United Kingdom will be felt in the new make-up of the European Parliament. The balance of power in big political issues will shift. How exactly, is yet to be seen. However, on clear cut policy areas such as the ones we have highlighted, we don't expect a dramatic change.

## Authors

*Brussels team: Evelina Kozubovska is a Consultant in the healthcare practice, Emanuele Pirozzi is a consultant in the TMT practice and Thea Utoft Høj Jensen is Head of financial services.*



Evelina Kozubovska  
+32 (0) 477 56 26 07  
[evelina.kozubovska@fticonsulting.com](mailto:evelina.kozubovska@fticonsulting.com)



Emanuele Pirozzi  
+32 2 289 09 30  
[emanuele.pirozzi@fticonsulting.com](mailto:emanuele.pirozzi@fticonsulting.com)



Thea Utoft  
+32 2 289 04 13  
[Thea.Utoft@fticonsulting.com](mailto:Thea.Utoft@fticonsulting.com)

### About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. Connect with us at [www.fticonsulting.com](http://www.fticonsulting.com) or on Twitter (@FTIConsulting), Facebook and LinkedIn. The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc. its management, its subsidiaries, its affiliates, or its other professionals, members of employees.

