

Weekly Commentary 28

The European Parliamentary Elections –Is Europe in Trouble??

The European Union had its parliamentary elections last week, and there was a shocking development for the incumbent establishment. Although they were not expecting a walkover for the ruling elite, given that there were many protests against national governments in recent months over the economy and the war in Ukraine, nobody expected the results to turn out quite as bad as they did. France, which imagines itself to be a leading light of European politics and seeks to lead it, was crushed in these elections by another French party, that of Marine Le Pen which won twice the number of seats that the party of Macron did. Germany's ruling coalition also lost big and ceded electoral ground to the AfP, also a far right party.

So the two leading nations of the EU are looking like losers. Macron, on the results revealed by the vote, panicked and immediately called for domestic elections to try and garner support for his party. This will be held later this month. But most analysts call this a gamble because it is not clear that Macron will come out ahead. If he loses more ground, he may have to share ruling the country with Le Pen, who may appoint France's Prime Minister. That sharing of power would be called **cohabitation**...or, in French politics, living in sin. It is not too far fetched to call that a disaster.

Background

The 2024 European Parliament election took place from 6 to 9 June. It was the tenth parliamentary election since the first direct elections in 1979, and the first European Parliament election after Brexit. This election also coincided with a number of other elections in some European Union member states.

In the previous election, held on 23–26 May 2019, in terms of the political Groups in the Parliament, they resulted in the EPP Group and S&D suffering significant losses, while the liberal/centrist (Renew), the Greens/EFA and ID made substantial gains, with ECR and The Left had small reduction. The European People's Party, led by Manfred Weber, won the most seats in the European Parliament, but was then unable to secure support from other parties for Weber as candidate for President of the Commission.

After initial deadlock, the European Council decided to nominate Ursula von der Leyen as a compromise candidate to be the new Commission President, and the European Parliament elected von der Leyen with 383 votes (374 votes needed). The commission as a whole was then approved by the European Parliament on 27 November 2019, receiving 461 votes.

The 2019 election saw an increase in the turnout, when 50.7% of eligible voters had cast a vote compared with 42.5% of the 2014 election. This was the first time that turnout had increased since the first European Parliament election in 1979.

Since the last European-wide election, **the right has continued to rise across Europe, remaining however split, mainly by the Russian invasion of Ukraine and Russian relations issue**. In 2024, right-wing populist parties hold or share political power in Hungary (Fidesz), Italy (Brothers of Italy), Sweden (Sweden Democrats), Finland (Finns Party),

Slovakia (Slovak National Party), Croatia (Homeland Movement) and the Netherlands (Party for Freedom). The centre-right EPP has "raised eyebrows" among some commentators for its efforts to charm parties in the ECR to create a broad conservative block, which could upset the long-standing status-quo that has seen the EPP share power with the centre-left S&D and the centrist Renew Group.

Here is a viewpoint from Zero Hedge on these elections and what is happening in France:

Macron rules out resigning, ‘whatever the result’ of French election

France’s president has bet big on a showdown with the far right.

JUNE 11, 2024 1:25 PM CET

BY GIORGIO LEALI POLITICO EUROPE

PARIS — French President Emmanuel Macron on Tuesday said he would not resign “whatever the result” of the upcoming French parliamentary elections.

Macron called the election on Sunday night, in response to a big win by the far-right National Rally in the European election, which has piled pressure on his administration.

“It’s not the National Rally that writes the Constitution nor the spirit of it,” he said in an interview with Le Figaro Magazine. “The institutions are clear, and so is the place of the president, whatever the result.” (Macron has time in his remaining term not to resign, and can continue as president of the country but if his party loses big, he may well have to go...)

Macron was answering a question on whether he would be ready to resign if the National Rally wins the parliamentary election and urges him to leave. It also intersected with swirling rumors which began circulating on Tuesday that he was considering resigning, triggering a denial from the Elysée.

Instead, Macron said that he would take part directly in the electoral campaign and warned against assuming that the National Rally’s result at the European election would be replicated in the parliamentary election, which has a different voting system.

France will go to the polls for the parliamentary election first round on June 30, with a second round to follow on July 7.

“Politics is dynamic. I’ve never believed in polls. The decision I have taken opens a new era. A new campaign begins, and we should look at the scores for each constituency in the light of those for the European elections,” Macron added.

Macron will start campaigning with a press conference in a Parisian hotel on Wednesday, an event initially planned for Tuesday.

But not everyone is happy to see the French president campaigning directly. In private, several MPs from Macron's camp see his direct involvement in the campaign as a bad news, rather than a boost, POLITICO'S Playbook Paris reported Tuesday.

France's simmering political crisis, the rise of the far right and the decision to call the snap vote have also sparked fears on the markets, with **credit agencies and experts warning that political instability and a possible National Rally victory will undermine French efforts to cut public debt, which is at a worrying level.**

Right-Wing Tsunami: France "Stunned" After Macron Announces Snap Elections Following Crushing Defeat In European Parliament Vote

BY TYLER DURDEN, ZERO HEDGE

MONDAY, JUN 10, 2024 - 06:25 PM

Following a historic loss to Marine Le Pen's right-wing party in European elections on Sunday, French President Emmanuel Macron said he is dissolving the French parliament.

Macron said France will hold new elections on June 30 and July 7, a high-stakes maneuver that the WSJ said "stunned" the nation after projections based on early ballot counts came in for Sunday's elections for the European Parliament. The projections showed National Rally garnering around 31% of the vote, twice the support for Macron's Renew Party.

"This is a serious, weighty decision, but above all it's an act of trust," Macron said. "Confidence in you, confidence in the ability of the French people to make the right choice for themselves and for future generations."

National Rally leader Jordan Bardella said Sunday's results marked an "unprecedented rout for the powers that be," adding that it was "**day-one of the post-Macron era.**"

Macron's decision to call parliamentary elections opens the door for his party, which is deeply unpopular at the moment, to shed even more seats to rival parties in France's National Assembly, the country's lower house of Parliament.

If that occurs, Macron could be forced to appoint a prime minister from another party, such as the center-right Les Républicains, in a power-sharing arrangement known in France as a "cohabitation."

"A dissolution means a cohabitation," said Alain Duhamel, a prominent political analyst.

The shocking news in France comes after Europe's right wing parties put on a show of strength in this weekend's EU elections, which also reinforced German Chancellor Olaf Scholz's position lagging two rival parties.

Sunday's results still appeared to leave the mainstream pro-EU parties with a lock on power in Brussels, if only for the time being. The center-right EU political grouping that now leads the bloc looked set to win the most seats in the European Parliament,

boosting European Commission President Ursula von der Leyen's hopes of keeping her job for a second term. She has forged a close working relationship with the Biden administration.

Still, France's far-right opposition party National Rally looked set to be among the pan-European election's biggest winners. **Marine Le Pen's party is on target to become the largest single party in the European Parliament.** Projections based on early ballot counts on Sunday evening suggested **National Rally had gained roughly 31% of the vote, twice the support for Macron's Renew Party.**

After the French results, Macron announced he was dissolving parliament to call fresh elections. His party already lacked a majority in the National Assembly. The first round of the elections will take place June 30, followed by a second on July 7, Macron said.

As reported earlier, the Social Democratic Party of German chancellor Scholz also apparently faced a drubbing. According to national exit polls, it was running third behind the far-right Alternative for Germany and the clear winner, Germany's opposition center-right alliance.

The elections, held from Thursday through Sunday, were for the 720 members of the European Parliament. Up to 370 million voters were eligible according to EU figures, although turnout in the elections is usually modest. While the European Parliament's main powers are to approve or amend EU rules, laws and trade deals, the twice-decade vote offers a potent indicator of Europe's political mood. The legislature also gets to approve the EU's new leadership team.

As the WSJ notes, *"Sunday's results point to trouble for the EU leadership's ability to pursue its environmental goals and indicate that pressure will mount to tighten migration rules under right-wing pressure. The vote is also likely to give a greater voice—at least within the parliament—to nationalist and left-wing critics of EU support for Ukraine."*

Despite pro-EU parties' setbacks, they appeared to hold enough seats to cobble together a majority of lawmakers to approve their priorities. An assessment from exit poll-aggregator Europe Elects suggested that center-right, centrist and center-left political blocs would secure 413 seats in the new parliament, a clear majority. Right-wing nationalist parties look set to secure at least 160 votes.

While the results push European politics to the right, divisions among the nationalist and far-right EU parties are likely to blunt the impact of their gains. Some right-wing leaders have called for an alliance across the movement, but that appears unlikely.

Meanwhile, markets are not too happy: European bonds are down as are European futures, while according to Macquarie, the Euro faces downside risks after latest developments from parliamentary elections at the weekend.

"The bottom line is that while political uncertainty may mount as an issue in the US this summer, we didn't discount that the same will happen in Europe too," said Thierry Wizman, strategist in New York, who had flagged **deepening political uncertainty in Europe as an "underappreciated risk" to markets three weeks ago**

"Between this, anticipation of the National Assembly election in France, after which the National Rally could get to install their own Prime Minister, and potentially high

CPI in the US, we're sticking to **our view that EUR/USD could get to 1.05 and stay around there.**"

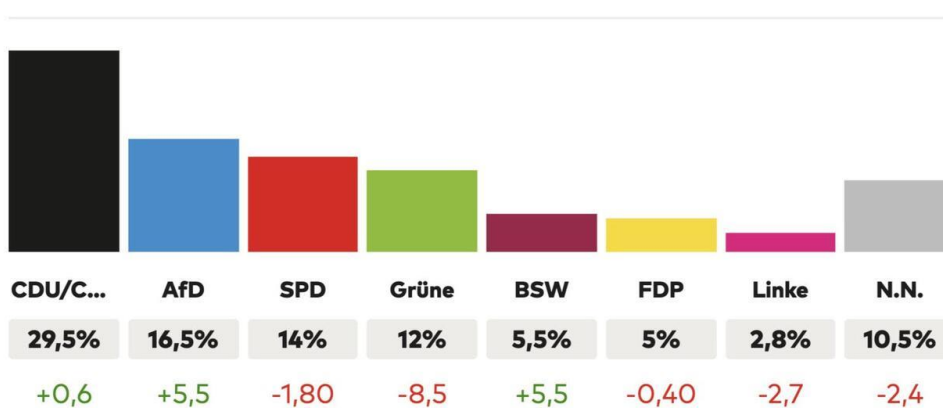
As we await the results from the European Parliament vote, the exit polls from Germany are already in and they are a disaster for both the alliance of French president Macron, who was steamrolled by Marine Le Pen, and for German Chancellor Olaf Scholz's Social Democrats, which crashed to their worst-ever result in European Parliament elections Sunday, as conservative and right-wing parties soared across the old continent, **a result which will help tilt the European parliament further towards a more anti-immigration and anti-green stance.**

According to preliminary results from five countries, right-wing parties are estimated to have won at least 33 of the 174 seats available in *Austria, Cyprus, Germany, Greece and the Netherlands*, according to official exit polls from those countries, up from 19 seats at the last election in 2019. And - as the ultraliberal FT admits - **"the surge, at the expense of liberal and Green parties, would complicate European commission president Ursula von der Leyen's bid for a second term as head of the EU's executive."**

In Germany, Chancellor Scholz's Social Democrats crashed to their worst-ever result, falling to third place with 14% of the vote behind the populist and nationalist Alternative for Germany, which has become the second-largest German party in the European Parliament with 16.4%. The conservative CDU/CSU alliance was on course for a comfortable win with 29.6%, according to an exit poll Sunday from public broadcaster ARD. The other two parties in Scholz's ruling alliance — the Greens and the Free Democrats — got 12% and 5% respectively.

Prozentuale Stimmenverteilung - **Deutschland**

Prognose **ARD**, 09.06.2024, 18:00



Tendenzen: Vergleich zur Wahl 2019 (in Prozentpunkten)

Quelle: ARD, Stand: 09.06.2024, 18:00

As reported overnight, the German exit polls are among the first results from the European election, which started Thursday and culminates Sunday, and will determine the make-up of the bloc's legislative assembly. The outcome will establish

which leaders have the most leverage to claim the EU's top jobs, including the presidents of the European Commission and the European Council.

The catastrophic showing for Scholz's coalition underscores the increasing difficulty the German government faces in leading European policy. Support for Scholz's ruling alliance in Berlin has dropped to record lows in recent months, with the three parties' combined support currently around 35%, down from more than 50% in the 2021 federal election.

As Bloomberg reports, **CDU General Secretary Carsten Linnemann questioned whether Scholz retains the authority to lead the country and blamed the ruling coalition's policies for the rise of the AfD.** "He was the one on the election posters so really he should submit to a vote of confidence," Linnemann said.

The AfD managed to post substantial gains despite experiencing a series of setbacks in recent weeks involving bribery and spying scandals. The Alliance Sahra Wagenknecht, or BSW, which she co-founded in January after splitting from the Left party, got 5.7%.

Kevin Kuehnert, the SPD general secretary, said the party won't be seeking "scapegoats" and insisted that it had been the right decision to make Scholz a central figure in the election campaign despite his relatively low approval rating.

"For us this is an extremely bitter result," Kuehnert said in an interview with ARD. "We will have to look at where we weren't good in our mobilization," he added. "The promise now is that we'll fight back from this."

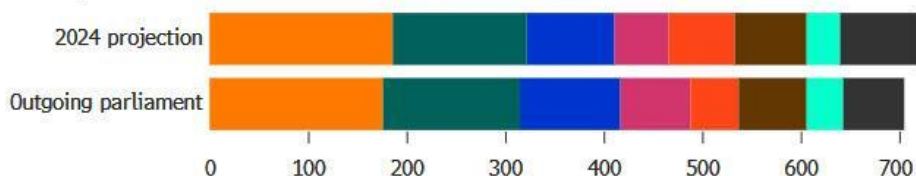
Kuehnert said the priority for the coalition in coming weeks is to broker an agreement on next year's budget, which has been another source of infighting in the three-party alliance.

Amid continued losses for the establishment, right-wing and conservative parties in Europe are slated to pick up more seats compared with the last election five years ago, as migration swings to the top of the political agenda, while the EU's ambitious climate goals may face greater hurdles.

EU Parliament Elections 2024: EPP Set to Expand Top Position

Distribution of seats by political group

European People's Party Socialists & Democrats Renew Europe
Greens/European Free Alliance Identity and Democracy
European Conservatives and Reformists The Left Non-attached



Source: European Parliament, Europe Elects

Bloomberg

Still, at the EU level, centrist parties on the left and right are due to maintain their grip on the majority. That means a degree of continuity on key policies at a time of immense geopolitical uncertainty with Russia's war on Ukraine raging to the east and China becoming ever more assertive.

As further discussed overnight, the EU is also confronting challenges including how to maintain fiscal sustainability while investing in a greener future, boosting the competitiveness of European manufacturing and strengthening defense capabilities amid the prospect of Donald Trump's return to the US presidency, which could impact everything from trade to environment policy.

Germany's next national vote is due in the fall of next year. The ruling parties are expected to fare just as poorly in their next major electoral test — three regional ballots in September in the eastern states of Thuringia, Saxony and Brandenburg with the AfD leading in the polls in the three states, but is unlikely to get into government as all other parties have ruled out joining it in coalition.

In the Netherlands, Dutch conservative Geert Wilders notched significant gains on Thursday, though fell short of winning the most Dutch seats in the European Parliament. That victory was claimed by a coalition of left-wing parties.

In perhaps the biggest shock of all, however, the French right-wing has inflicted a staggering defeat on the Macron alliance: with Le Pen's gathering 32-33% of the vote to Macron group's 15% according to pollsters.

According to AFP, voter turnout in France was up two points as of 5pm, with 45.26% of eligible voters casting ballots compared with 43.29% in 2019. The turnout for EU elections is generally low, but the last elections in 2019 showed the first uptick in 30 years with a turnout of 50.7 percent.

In Austria, the right-wing, national-conservative anti-immigrant Freedom Party was in the lead with an estimated 27 percent, Austrian national broadcaster ORF said. If the number is confirmed later Sunday, it would be the first time the OFP wins the European Parliament election in Austria.

The conservative People's Party (OVP) and the Social Democrats (SPO) are currently too close to call, it said, estimated to have raked in 23.5 percent and 23 percent of the votes respectively.

Finally in Spain, more of the same anti-establishment, anti-liberal, anti-immigrant tsunami:

Why Emmanuel Macron went all in against Marine Le Pen

Financial Times

Emmanuel Macron has an oft-repeated catchphrase he uses behind closed doors with ministers and advisers: *Il faut prendre son risque*, you must be willing to take risks.

The president of France has done that in spades by calling for snap elections after his centrist alliance took a drubbing on Sunday from Marine Le Pen's far-right Rassemblement National in European parliamentary elections. In doing so, he has

again shown the daring that has marked his political career since he was elected as a little-experienced outsider in 2017.

“I have confidence in the French people to make the right choice now to enable the country to face the great challenges ahead of it,” he said on Sunday night. The bet could also backfire spectacularly if the two-round vote on June 30 and July 7 forces him into a power-sharing government, known as a “cohabitation”, with the RN.

It would be the first time under the fifth republic founded in 1958 for the president and prime minister to hold such diametrically opposite views on how the country should be run. If Macron was saddled with an RN prime minister, he would continue to run international affairs and serve as the head of the military, but domestic affairs would be run by Le Pen or her 28-year-old lieutenant Jordan Bardella, who she has said would be their prime minister.

François Patriat, a veteran senator and longtime Macron backer, said the decision to call a snap election was in keeping with how the French constitution was supposed to work when there was **an impasse preventing the government from functioning**. “It is not a risky bet — it’s a brave decision that respects French institutions and is very gaulliste in nature,” he said, referring to General Charles de Gaulle who famously resigned as president in 1969 when he felt he could not govern.

“The president is putting the responsibility back on the French people. They voted in a dumb way in the European elections, now it’s up to them to decide.” Patriat added governing has been difficult since Macron’s alliance lost its outright majority in 2022. He argued the RN would not be able to muster an absolute majority, which requires 289 of the 577 seats of the lower house, the National Assembly.

No opinion polls are yet available, but some analysts on Monday said a hung parliament was a real possibility, which would usher in a period of instability only six weeks before Paris hosts the Olympic Games. **A sell-off in French stocks and bonds has dragged down European-wide indices.**

Macron’s centrist alliance, made up of three parties, now holds about 250 seats, and the RN has 88, making it the single largest opposition party. The left’s 149 seats are spread out over several parties, sapping their influence. Macron’s allies say voters could deliver other outcomes that benefit the president and would provide the political clarification that has been needed since his centrist alliance lost its majority in 2022.

In the French system, the president has a lot of sway over naming the prime minister, as long as the person can survive no-confidence votes filed by the opposition. For example, Macron could name a prime minister from the centre-right or centre-left and govern in coalition, even if those parties have ruled that out.

In the European election on Sunday, the RN received 31.4 per cent of the French vote, more than double the 14.6 per cent for Macron’s list. The centre-left and Socialist candidates won 13.8 per cent. But it is difficult to predict how those power dynamics will transfer to the legislative elections, which have two rounds of voting.

European elections in France have also long been seen by voters as protest votes against the incumbent president, which is a different matter from choosing who they want to govern the country.

Macron has more prosaic reasons for calling the election. The opposition had been threatening to topple the government with a no-confidence vote in the autumn over the annual budget that was set to include some €25bn in public spending cuts to address the ballooning deficit. An ally of Macron in the Senate said the budget debate was going to be very tense with the real risk of street protests over the unpopular spending cuts.

“It is better that he acted now rather than wait for things to go wrong in the autumn,” the person said. “He is wrongfooting the opposition by moving fast.” Recommended World Macron's gamble. Another more Machiavellian explanation for Macron dissolving the National Assembly is that he may be hoping to inoculate the country against the RN ahead of the 2027 presidential race in which Le Pen is the frontrunner to succeed him.

“For years now, voters have been saying ‘we’ve tried everything besides the RN’ and flirting with Le Pen’s movement,” said author and political analyst Chloé Morin. “Macron is going to let them taste the RN in a bet that they will soon be disgusted by them.”

Macron has again shown himself to be an inveterate gambler, as in 2022 when he faced down street protests and narrowly survived no-confidence votes to pass his unpopular pensions reform, and when he bet that he could outlast the gilets jaunes movement in 2019. “It’s a risk but it’s too early to know if it’s a mad one or a smart one,” said Mujtaba Rahman, managing director for Europe at the Eurasia Group. “He is gambling with his reputation and legacy, and the stability of France and the European Union.”

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JUNE 11, 2024 1:25 PM CET

BY [GIORGIO LEALI](#)

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"Politics is dynamic. I've never believed in polls. The decision I have taken opens a new era. A new campaign begins, and we should look at the scores for each constituency in the light of those for the European elections," Macron added.

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But not everyone is happy to see the French president campaigning directly. In private, several MPs from Macron's camp see his direct involvement in the campaign as a bad news, rather than a boost, POLITICO'S Playbook Paris reported Tuesday.

France's simmering political crisis, the rise of the far right and the decision to call **the snap vote have also sparked fears on the markets, with credit agencies and experts warning that political instability and a possible National Rally victory will undermine French efforts to cut public debt, which is at a worrying level.**

German far-right makes strong gains in EU vote, ruling parties suffer

By [Sarah Marsh](#) and [Thomas Escritt](#)

June 10, 2024 2:56 AM GMT+8 Updated 5 days ago

REUTERS

Summary

- AfD, new populist party make gains
- Voters desert coalition amid high prices, security worries
- Leftist party that opposes Ukraine support makes strong debut
- AfD strength could complicate future coalition arithmetic

BERLIN, June 9 (Reuters) - The far-right Alternative for Germany (AfD) shrugged off a string of scandals to take second place in Sunday's EU election, making gains in

particular among the young, while Chancellor Olaf Scholz's Social Democrats scored their worst result ever.

The AfD's strong showing comes as Germany's party landscape undergoes its biggest upheaval in decades, with new populist parties vying to take space vacated by the shrinking mainstream parties that have dominated since reunification in 1990.

This looks set to make it much harder for established parties to form workable coalitions after elections in three eastern German states in September and at federal level next year.

The rise of populism is also coarsening the political climate, say analysts. The campaign was overshadowed by a surge in violence against politicians and activists.

The AfD was plagued by scandals in recent months with its lead candidate having to step back from campaigning in May after declaring that the SS, the Nazis' main paramilitary force, were "not all criminals".

One of his aides was charged with spying for China and another candidate faced allegations of receiving bribes from a pro-Russian news portal.

The AfD also faced nationwide mass anti-extremism protests and rivalry from a new populist party, the Sahra Wagenknecht Alliance (BSW), that was founded in January and that is also anti-establishment while advocating a more left-wing economic policy.

The eurosceptic party nonetheless won a record 16.2% of the vote on Sunday, according to an exit poll published by state broadcaster ARD at 1958 CET (1758 GMT). That was 5.2 percentage points more than in the last EU election in 2019 and more than all three parties in Scholz's coalition.

'BRUSSELS BUREAUCRACY'

The AfD gained ground among younger voters, up 12 percentage points to 17% among 16-24 year olds, tying with the conservatives for most popular party in that age group, and in the former Communist East.

"We've done well because people have become more anti-European," the AfD's co-leader Alice Weidel said on Sunday,

"People are annoyed by so much bureaucracy from Brussels," she added, giving a plan ultimately to ban CO₂-emitting cars as an example.

The results were in line with an expected broader shift rightwards for the European Parliament across the bloc of 450 million citizens.

The AfD has tapped into frustrations with Scholz's coalition, support for which has plunged since it took office in late 2021 and immediately had to contend with multiple challenges, ranging from the Ukraine war and rising irregular migration to a cost of living crisis. Just a week before the election, a policeman was stabbed and killed at an anti-Islam rally by an Afghan man who was not living legally in Germany, an incident which shocked Germany and could have boosted the showing for the anti-migration AfD.

Germany's Greens were the biggest loser on Sunday, falling 8.6 percentage points to 11.9%, according to the ARD exit poll, punished by voters for the cost of policies to reduce CO2 emissions - in line with expectations for environmental parties across Europe.

Scholz's Social Democrats (SPD) and the third coalition partner, the pro-business Free Democrats (FDP) also fared poorly, expected to win 14% and 5% of the vote respectively, down from 15.8% and 5.4% in the last election.

Eats. conservatives, who are in opposition at federal level, were forecast to come first, rising slightly to 30.2%.

But analysts say next year's election is still wide open, not least because Friedrich Merz, their likely chancellor candidate, is gaffe-prone and could alienate more centrist voters.

The BSW, which demands an immediate end to weapons deliveries to Ukraine, won 5.8% of the vote in its first major electoral vote, according to the ARD exit poll, tapping into worries about an escalation of the Ukraine war due to western involvement.

Here is my take on these events:

The European parliamentary elections did not result in a sea change. The establishment still holds 60 percent of the seats and this would maintain the status quo and unlikely to unravel the politics of Europe. However, one wonders whether that is a good thing. The shots have been fired across the bow and there is now anxiety among the political leadership, in France and Germany, that the general population is not happy with prevailing policies.

What are those policies that are unpopular? The first is of course immigration or open borders which were akin to the events behind the rise of Brexit in the UK. There is now a similar lack of strong emotion for anything that is globalist or pan-European. It is the same in the United States where half the electorate prefers Trump's mantra of making America great again. This is generally known as Right Wing politics as opposed to the left, which is liberal and globalist.

While in the short term, there is not likely to be a complete shift to the right or a breakup of the EU as had happened with Brexit, where people would give up becoming European citizens, it is also going to be difficult for politicians in Brussels to promote policies that bring individual countries closer together. Therefore the drive towards greater integration into a single Union will be slowed. As a geopolitical entity the EU will become less than it used to be.

In terms of its economy, if there is anything we can learn from Brexit, this anti integration motivation will lower the economic prospects of the EU. The UK is worse off after Brexit and though part of the reason is because it had an overly optimistic of its ability to foster new trade deals outside of the EU, Brexit was a bummer. All that trade negotiation effort did not live up to expectations and instead of joining many trade pacts, all the UK was able to achieve were deals with its own commonwealth and "rollover deals". It failed to secure an American trade deal in spite of its being

obsequious to the US in terms of its foreign policy. Without more trade, the UK's GDP growth is now dismally flat, the worst performing country in the G7.

Will Europe go the same way? The chances of this happening is high.

In its economic relationship with China and Russia, there cannot be any plus points to be made for EU politicians. Of course, the old relationship with its biggest energy supplier was destroyed by the desire to follow the US to sanction Russia. When it lost cheap Russia gas, the pillar of industrial Europe, Germany, got demolished. Yes, it is important to follow ideals but it should not have been at the expense of knee capping your own economy. And western Europe, particularly Germany, is unlikely to recover from this disaster because the Russians have decided not to work with the collective west anymore and instead become trade partners with the countries to its East, including China and India. The GDP of the major European countries have been adversely affected by the decision to sanction Russia.

As a matter of fact, this is a mistake of massive proportions. Not only has Europe lost its cheap energy, Russia has gained in strength both economically and militarily. Europe now grows at sub 0.5% but Russia is growing at 3 to 4% in 2024, and according to the World Bank, has become the fourth largest economy in the world overtaking Germany and even Japan. As BRICS become larger, now with 28 countries wanting to join the organization, Russia will shift its focus to non European relationships, when for the thirty years since 1990, it was willing to become a partner of western Europe. As such, instead of having a partner to its East, the EU now has a major economic competitor in Russia, and this must be reckoned as a geopolitical error of incredible proportions. Look at what happened when Germany was sabotaged on its Nordstream pipeline by the Americans and even though the facts are simple to understand, Berlin did not utter even a whimper of protest. The results of popular discontent have finally emerged.

And for its relationship with China, western Europe has become almost as indiscriminate and dogmatic as the Americans in antagonizing that country. This is spectacularly idiotic when its biggest car market is the People's Republic. It is now initiating a study into tariffs on EVs exported by China, and when it does implement these, Beijing will likely retaliate by cutting off French brandy and German gasoline powered cars. These are important exports for Europe, and if they want to run around in the US camp, they will suffer for it. It is truly surprising for those of us on neither side of this trade war why the Europeans want to commit economic suicide by just taking the American position without consideration of their own national interests. It's almost fine if you slap yourself on the face, or shoot yourself in the foot, but to slit your own throat while doing the two things above at the same time, it's lunacy.

There are several EU countries which are not on the side of Brussels in wanting to destroy Russia. This includes Hungary, Serbia, Slovakia, and increasingly Turkey. These countries are also happy to work with China on the BRI, trade, and JV with Chinese companies to manufacture their EVs for export to the rest of Europe. Those tariffs von der Leyen is organizing may be undermined because those cannot be used against other EU countries championing Chinese EVs.

The war in Ukraine is extremely divisive among the members of NATO and the EU. Not everyone wants to fight Russia and this now includes Italy where the leaders have already said they won't take on Russia in war. Now that France, the country that seems most keen to antagonize and piss off Moscow is embroiled in its own divisive politics, there is nobody left in NATO who will be hawkish. That is unequivocally a good thing.

The UK is no longer a part of the EU after a very divisive Brexit back in 2016. After four prime ministers in just about double that number of years, the country has hardly gotten out of its woes. Rishi Sunak is now also going into the hustings on July 4, and he is expected to lose that election. Here is an assessment of Sunak's electoral prospects by CNN Europe:

Why UK Prime Minister Rishi Sunak called an election he's expected to lose

Analysis by Luke McGee, CNN

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London CNN

When British Prime Minister Rishi Sunak announced on Wednesday that the United Kingdom would hold a general election on July 4, many observers wondered: why now?

More specifically, **why has the PM called an election that is almost certain to lose? For months, polls have placed Sunak's Conservative Party way behind the opposition Labour Party and, as things stand, Labour leader Keir Starmer is set to not only win power but have a massive parliamentary majority.**

The answer to that question is simple: it's very unlikely there will be a better time. Almost everything Sunak tries seems to backfire, and it's not implausible that his favorability with the public will get even worse before the end of the year.

The past couple of days have been relatively good for Sunak. The economy does seem to be recovering, with the International Monetary Fund (IMF) updating the UK's growth forecast and inflation finally returning to something resembling a normal level.

Nothing went catastrophically wrong in the last week or so ahead of calling the election. It's a low bar, but since his time in office, right now he probably has the most stable base to launch a campaign that he's ever had or ever will have. **(In other words, it will just be a smaller loss...)**

As one key adviser to Sunak told CNN:

"The PM came into office facing a series a key challenges: inflation, no growth, migration. And he saw dealing with those as his primary mission. And he's made

genuine and significant progress on that. On Tuesday, the IMF upgraded our growth forecasts, yesterday we saw inflation back to normal levels, today we see migration falling as a result of our reforms.

“So we’ve got a solid foundation to say that things are going in the right direction, and the view was that now was the best time to go to the country and say ‘here’s what we’ve done, our plan is working, now who do you think has the plan and the capacity to take the bold action to move this country forwards towards a more secure future.’”

Sunak had to call the election before the end of this year, constitutionally speaking. The fact he hadn’t until this week allowed his opponents to paint him as a coward, terrified of facing the public.

It didn’t help that the country has felt in need of an election for quite a long time, nor that the Conservative Party has looked from the outside like a basket case for a number of years.

Their time in office didn’t begin formidably. In 2010, after 13 years of Labour rule, David Cameron won the general election but didn’t win a majority in parliament. He was forced to make a coalition government with the centrist Liberal Democrats.

Cameron, against the odds, kept the coalition together until the 2015 election, at which he won a surprise majority and secured the first fully Conservative government since 1997.

The celebrations didn’t last long. Holding the 2016 Brexit referendum split his party in two and made governing nearly impossible for his four (yes, four) successors. First up was Theresa May.

A botched snap election and the inability to pass her Brexit deal because her party hated it ended May’s tenure, and she was replaced by Boris Johnson in 2019. Johnson blew his own majority when he became so weighed down by scandal – including the notorious illegal parties in Downing Street during the Covid-19 pandemic – he had to resign in 2022.

Liz Truss took over for 45 days, in which time she managed to cause sufficient economic havoc that the pound sank to its lowest ever level against the dollar, interest rates spiked and inflation ballooned. Eventually, the Conservative Party had enough of the chaos and put Sunak in charge as a safe pair of hands.

Whether or not he has been that is up for debate. Despite what Conservative sources might say about his record in office, his dire poll ratings cannot be denied.

His flagship immigration policy, which would see illegal migrants sent to Rwanda to have their asylum claims processed, has already cost millions despite the fact only one person – voluntarily and given money to do so – has made the trip. (WTF??)

His world-leading smoking ban, which caused Sunak major embarrassment when his own MPs didn’t approve it, has been shelved due to the election.

These are just two recent examples of how things seem to go wrong for Sunak. But the most damaging issue around him is **the general sense that he is a bit of a loser and**

that his own party has so little faith in him. No amount of facts, figures or soundbites can change that he has an undeniable stench of failure around him. The sense that something is inevitable is powerful in politics, and for Sunak, defeat seems inevitable.

Of course, it isn't. There is a chance that the polls are misleading us, and there is a chance that the Conservative campaign will work.

They are making it personal: a clear choice between Labour leader Starmer and Sunak. Conservatives claim Starmer cannot be trusted on national security, is a shameless opportunist with no principles and has no plan.

Right now is probably the best time to hammer that message home. Labour will have to rush out its manifesto, which will inevitably be picked apart by commentators. The longer Sunak held off, the more time Labour had to get its house in order.

Sunak inherited a mess, no one can deny that. It currently seems unlikely that he has cleaned up that mess enough to earn the Conservatives another term in office. But given the size of the task ahead of him, it makes sense that he seize on this rare period of good news and hope for the best.

Reading all the above, it seems to me that it is not just Sunak who is a loser. All European politicians are losers. This is because, if you ask me, they do not have an independent foreign policy that they can really call their own and when you are subservient to a big brother which likes to fight wars, all of Europe is condemned to paying for it.

The cost of those wars is coming home to roost.

Everybody now shares America's inflationary pressures as well, and as they pick sides in the sanctions war, they all end up being on the wrong side of de-dollarization.

And as de-dollarization proceeds, the EU and the UK will not benefit from a strengthening of the Euro and the British Pound as both countries will get weaker relative to the USDollar, as analysed above. The collective west is essentially mired in the same pile of dog-shit.

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Un-InBfluencer in a World full of Hubris

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