



A profile of Europe's populist parties

Structures, strengths, potential

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Populist parties are gaining momentum in countries across Europe. As voter turnout decreases, the influence of large mainstream parties is diminishing and the party structure is fragmenting. The European Parliament (EP) elections in May 2014 and the victory of *Syriza* in Greece have pushed this development to the forefront of political debate.

The profiles of the various populist movements in Europe are fundamentally different. They differ not only in their messages and their political affiliations to the left or the right and whether they take a moderate or hard line; their direct influence after election results and their potential for influence in the future through *agenda setting* are also significantly different. The rejection of the national political establishment is one factor that unites the different parties.

The greatest consensus among the parties is in the rejection of further steps towards European integration. A large majority of the parties is critical of the current situation in the eurozone. Therefore, an orderly dissolution of or change to the monetary union is supported across the parties – together with calls for tighter immigration regulations. There is less agreement on the call to completely disband the joint federation of states that is the EU, along with its institutions.

Despite successes at national level, no noteworthy influence has been wielded by Eurosceptic parties at the European level to date. Above all, this is because the Eurosceptic parties are spread over various political groups in the EP, work together in unstable alliances or are not organised in a group at all.

However, populist movements could still indirectly extend their influence over European politics in the future – even if they are not coordinated. Populist movements unite more commonly *against* something rather than *for* something. Their obstructive potential comes to the fore in their role in opposition, above all at a national level, and can therefore harden the stance of the respective government in intergovernmental collaboration at European level. Populist parties could shape European politics in future by blocking progress in particular in political areas that require a wide consensus – and without actually pursuing this objective in an explicitly coordinated way.

The effects of the rise of populist parties are already noticeable today. In many countries, established parties are being forced to follow a course aligned more strongly with alleged national interests. In this unclear overall situation, some countries are not using the head start given them by the European bailout programmes and the ECB to implement reforms in good time and to the full extent. Ultimately, the obstructive potential is high, even with regard to the required further development of the institutions of the eurozone.



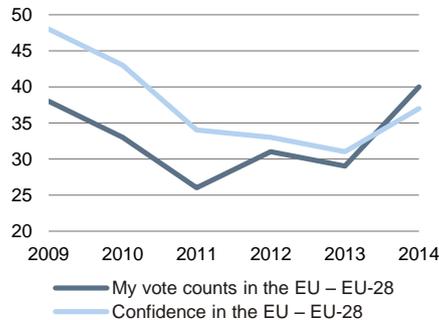
A profile of Europe's populist parties: Structures, strengths, potential

Europe's political landscape is shifting

Confidence in the EU and perceived political self-efficacy until EP election

1

Public opinion on confidence and representation, share of respondents as %

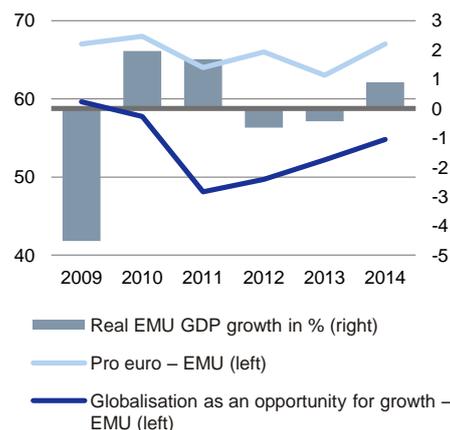


Source: Eurobarometer 82, Nov. 2014

Support for the euro and globalisation is increasing again

2

Public opinion on the euro and globalisation, share of respondents as %

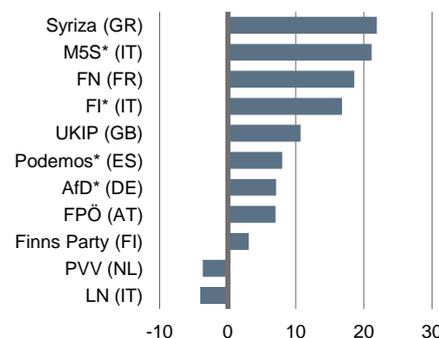


Sources: Deutsche Bank Research, Eurobarometer 82, Nov. 2014, Eurobarometer - 40 years

Gains and losses in the 2014 EP election compared to the 2009 EP election

3

At the national level, % points



* Did not stand in 2009

Sources: European Parliament, Deutsche Bank Research

The political landscape in Europe has changed significantly in recent years. This is also true for countries that, for years, have only had a two-party system. As voter turnout decreases, the influence of large mainstream parties is diminishing and the party structure is fragmenting. At the same time, populist parties are gaining momentum in countries across Europe – although to differing degrees. These parties are positioned at the right and left ends of the spectrum of the party landscape.

In the eurozone in particular, the financial and debt crises will have probably been the precursor for the increase in popularity of populist parties in many cases. The reduction in macroeconomic imbalances through fiscal consolidation and structural reforms, as well as low economic growth and high unemployment, have placed a heavy burden on the populations of the countries in the eurozone for five years now – and have presented the established parties with significant challenges when it comes to explaining their policies. In some countries, there are also substantial doubts about the credibility of the political, economic, and social elites. The economic problems are attributed to the EU and the common currency and have led to a significant reduction in the acceptance of the European integration project. This is due not least to the fact that expectations that the EU could form a wealth-preserving stronghold against the forces of global competition have been dashed: globalisation and openness are increasingly being seen more as a risk and a threat, rather than an opportunity, regardless of whether the issue is trade and investment or immigration. The consequence is a massive loss of confidence in European politics. In some cases, populist parties have been able to translate this often diffuse unease in the electorate into election success.

This mood is voiced in European elections ...

The European Parliament (EP) elections in May 2014 have pushed this development, which has been looming in some countries for a long time, to the forefront of the (European) political debate. Parties that had focused on E(M)U-sceptic topics in the broadest sense of the word in their election manifestos¹ have seen significant gains in some cases. In the core countries of the eurozone and Great Britain, it is parties on the right that have particularly gained in popularity: *UKIP* in Great Britain and *the National Front* in France won the elections as the parties with the largest share of the votes. In Germany, one year after being founded, *Alternative for Germany* took its place in the European Parliament; in Italy, *Five Star Movement* came second to the governing party of Prime Minister Matteo Renzi with 21.2%. In Greece, the left-wing party alliance *Syriza* was the strongest force. The *Podemos movement* in Spain received almost 8% of the votes in its first European election. However, the government in the Netherlands, for example, was able to weaken the Eurosceptic parties on the right and left with a dedicated awareness campaign.

Despite the successes at national level, no noteworthy stronger influence of Eurosceptic parties on decisions in European politics has been visible so far in the EP. Above all, this is because the Eurosceptic parties are spread across various groups in the EP, work together in unstable alliances or are not organised in a group at all. These parties therefore lack the institutional leverage to be able to consistently push through critical positions on Europe in the parliamentary decision process and to express their central demand – the reversal of the transfer of sovereign rights from the member states to the EU –

¹ For a definition of the possible forms of Eurosceptic populist parties, see Box 4. More detail is provided in Heinen and Hartleb (2013).



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Populism – features and forms

4

There is no one unique definition of the term "populism". The political scientist Cas Mudde (2004) sees populism as a political communication strategy that splits society into two groups: the "pure people" and the "corrupt elite". Populism argues that politics should be an expression of the *volonté générale* or the general will of the people.²

The current academic debate identifies political populism along four general patterns of action and argumentation.³ Populist parties:

- Refer to an assumed common sense that is opposed to the present institutional arrangements. In opposition, they often call for stronger elements of direct democracy, for example through referendums.
- See themselves as opponents of a mandated political establishment and criticise the political elite of the country as corrupt, self-serving and not in touch with the problems of the people.
- Try, using attention-grabbing marginal positions, to mobilise those groups of the population who are critical of politics or who are even apolitical.
- Tend to polarise and personalise politics by often using friend or foe arguments and significantly simplifying political issues.⁴

Most populist parties reject today's institutional framework conditions for European integration. Considering the scepticism towards the EU and its institutions, it makes sense to differentiate between two degrees of intensity.⁵

- Moderate Eurosceptics reject certain aspects of the European integration project or the EU in its current institutional form.
- Hard-line Eurosceptics reject the European integration process in principle and question membership of the EU.

There is also a difference in the left- and right-wing Eurosceptic arguments.

- The right often argues that European integration threatens the national independence and identity of the peoples of Europe.
- In the EU and the Single European Market, the left sees focal points of a neoliberal and competitive economic policy that benefits solely the economic elite.

at a European level. It remains questionable at least whether permanent cooperation that cuts across single issues is even possible at a European level between parties who rate their particular national interests more highly than successful compromises.

... but the national elections remain the critical factor

The populist parties currently represented in the EP mostly have only an indirect influence at national level at present. Their opposition role is particularly strong at a regional and local level, where decisions on those topics they believe to be the most important are not necessarily made – for instance, the membership of the European Economic and Monetary Union. Lately, the (sometimes very new) populist parties have also taken seats in national parliaments.

The election result in Greece has shown that taking on the mantle of active government responsibility is a real possibility. The newly founded left-wing alliance *Syriza* has provided the prime minister in the person of Alexis Tsipras in a coalition government with the right-wing populist party the *Independent Greeks*. The party did not receive the majority of the votes in the election (36.3% with a voter turnout of 63.9%). However, the Greek election system gives the strongest party (in relative terms) additional seats when the seats are allotted in parliament. The positions and political style of the new government have recently caused considerable consternation to its European partners in the monetary union. Even though the economic and political situation in Greece cannot be completely transposed onto other countries in the eurozone and other parties, it shows, however, how quickly the political landscape can change in a member country – and how quickly that can call into question the commonalities and political developments of the eurozone and EU-28 countries.

This is reason enough to address the following questions in this study:

- What are the political objectives of populist parties in Europe?
- What influence do the parties have in shaping national policies?
- What effect could the latest increase in votes for populist parties have on European integration and the stability of the eurozone in the medium term?

The aim is to take a sober look at the landscape of populist parties in Europe in terms of the credo and political power of these parties. Even though the term "populism" is not defined with sufficient precision (see Box 4), we use it below to distinguish between the movements we are investigating and the established parties.

² See Mudde (2004).

³ See Priester (2012).

⁴ See Faber and Unger (2008).

⁵ See Hartleb (2012).



Profiles and potential influence

Measuring populism: three main categories for manifestos

5

The manifestos of the populist parties are considered using three main categories that bundle together the eight individual categories shown in our tabular overview on page 15.

1. In the **Europe** category, we check whether the party is calling for an exit from the EMU or EU. The parties' positions on the European integration process result from the extent to which the respective party is calling for powers to be returned to national states (greater national sovereignty).
2. The **Society and social issues** category looks at plans to redistribute burdens through tax reforms or welfare programmes. It also examines whether the populist parties are in favour of greater civic participation.
3. The **Openness** category is measured using free trade and immigration as benchmarks. We assess the party's stance on the Single European Market on one hand, and its position with regard to transatlantic free trade (Transatlantic Trade and Investment Partnership, TTIP) on the other hand. Furthermore, we differentiate between the party's position on immigration from EU and non-EU states.

Most of the populist parties in the eurozone have only a short history. They therefore only have a small number of core voters. Despite the recent increase in votes, populist parties are also mostly in opposition and can only demonstrate limited success in active participation in government at a national, regional or local level.

However, political influence is not determined by opinion poll results and the distribution of seats alone; it is also determined by the ability of a party to accurately capture moods among the people and use them to raise their own profile. Therefore, the positioning of their credo is even more crucial for populist movements. The credos behind profiles then become potentially influential when they reflect the sensitivities of the population and can thus be converted into electoral success. This differentiation between the different opportunities for influence is decisive for our following examination of those countries in which populist movements are particularly successful. For each party, our explanations are divided into three parts:

- **Profile:** Short description of party structures and history and location in the political spectrum.
- **Direct influence:** Current poll ratings and representation in the legislatures.
- **Potential influence:** Furthermore, we investigate the extent to which party manifestos reflect the preferences of the national population. Current Eurobarometer opinion surveys provide an accurate and, above all, comparable reflection of the opinion of citizens of EU member states who are entitled to vote on the most pressing problems.⁶ The more the party manifesto is aligned with the worries and concerns of the citizens, the stronger the party's potential influence.

Of course, the positions of populist parties are not always clear. As populist parties are not usually involved in government and therefore have to use their media presence to raise their profile, the broad scope for interpreting the credo behind their manifesto promises suits them very nicely. Members of the leadership often deliver spontaneous opinions in response to topical issues and these do not tally with the policies stated in the party manifesto. Party manifestos are often so abstract that they allow a lot of room for statements on everyday political matters that may not always be consistent with the mainstream party line. This gives rise to a conflict between manifesto objectives, everyday political rhetoric and the reception of both in public debate. In this sense, our breakdown of the positions of the populist parties makes no claim to completeness or correct interpretation.

To still achieve a minimum level of comparability, however, we use the three main categories (see Box 5) to assess the credo underpinning the parties' positions. These categories are: **Europe**, **Society and social issues** and **Openness** — the last point covers issues surrounding both immigration and international free trade (TTIP). They bundle the more subtle differences between the political positions of these parties as shown in our tabular summary on page 15.

⁶ Eurobarometer's question on the preferences of the national population is: "What do you think are the two most important issues facing our country at the moment?"

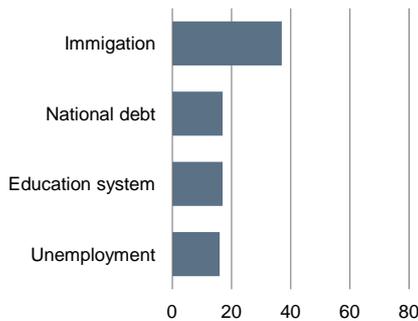


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Germany: Immigration is the biggest issue

6

Public opinion on the most important problems, share of respondents as %

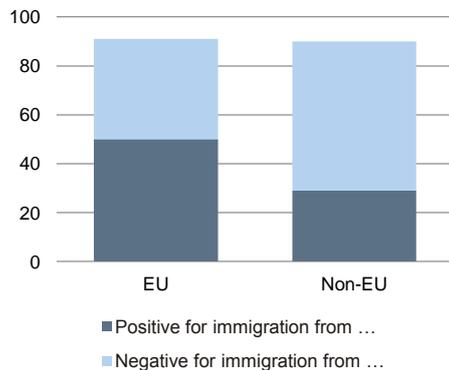


Source: Eurobarometer 82, Nov. 2014

Germany: Positive attitude towards immigration from EU states

7

Public opinion on immigration, share of respondents as %

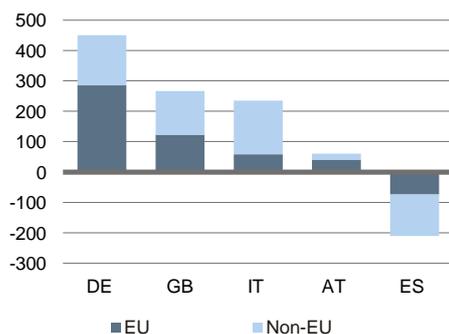


Source: Eurobarometer 82, Nov. 2014

Fact check: Around two-thirds of Germany's immigrants come from the EU

8

Net immigration by nationality 2013, thousands'



Source: National statistical offices

Germany: Alternative for Germany

The *Alternative for Germany (Alternative für Deutschland: AfD)* is relatively new. After some initial in-fighting about direction between the conservative and liberal wings, the AfD can today be categorised as moderate right-wing. In the last two years, it has been able to raise its profile and position effectively in the German landscape of opinions, with harsh criticism of the German government's euro bailout course, along with positions on immigration policies and family policy-related issues. This is partly due to the high media profile of its representatives.

Since it was founded in March 2013, AfD has been able to secure *direct influence* in four regional parliaments: Brandenburg (12.2%), Thuringia (10.6%), Saxony (9.7%) and Hamburg (6.15%). It is also represented in the European Parliament with seven MEPs (7.1%). Current polls indicate around 6% support at the national level.⁷ Of course, under current circumstances – a grand coalition at the national level and the refusal of the CDU to form a coalition with the AfD – there is no opportunity to participate in government in Germany. This applies not least because the current national government enjoys a comparatively high level of confidence amongst the population of voting age, with a share of 48%.⁸ Furthermore, to date, the AfD has not given any indication of its willingness to participate in government at a national level.

The party's specific *potential influence* thus stems from selected issues that the AfD has recently been able to score points on, rather than from blanket criticism of the government. With regard to *Europe*, the opposing stance of the AfD has become more moderate. The AfD argues against the euro bailout policy and is in favour of an orderly dissolution of the eurozone. It is calling for the creation of smaller, more stable currency unions or the re-introduction of national currencies. However, the AfD has not articulated this demand too loudly in recent times – in the light of support by 74% of the German population for the euro, this seems understandable. EU and EMU membership are not rejected in principle. However, the AfD does recommend reforms to reduce the level of bureaucracy and to increase transparency at the EU level. The party is calling for legislative powers to be returned to national parliaments. The AfD is concentrating increasingly on the area of *society and social issues*, calling for referendums and initiatives in line with the Swiss model. It also advocates the promotion of families with children and a reform of the tax system – by means of what is referred to as family splitting, for example, in which all members of a household should be taken into account when setting the tax and contributions. It is calling for a simplification of the tax system using the Kirchhof flat-rate tax system.⁹ The degree of *openness* of the AfD is moderate due to its immigration policy. With regard to EU member states, it considers stopping uncontrolled immigration in the German welfare system to be absolutely essential. It is calling for immigration from non-EU states to be subject to tighter regulations and to be managed according to labour market requirements. Here, the AfD favours a points system for qualifications in line with the Canadian model – a concept that has already been discussed a number of times in Germany. The AfD is thus positioning itself in line with public opinion: immigration, national debt, education and unemployment are very important issues (see Chart 6). However, immigration from EU member states is viewed more positively than that from non-EU states (see Chart 7). The AfD is generally open to free trade. However, it rejects TTIP as the negotiations are being conducted at the European and not at the national level.

⁷ Institut für Demoskopie Allensbach, March 28 - April 10, 2015.

⁸ Unless otherwise stated, all polling figures on the attitudes of the population are derived from Eurobarometer 82, Nov. 2014.

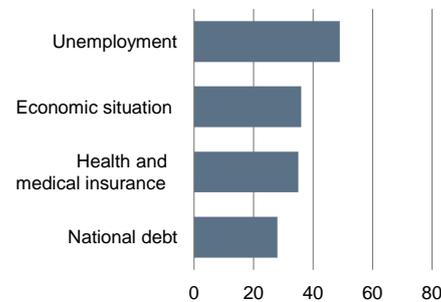
⁹ This means that all income will be bundled into a single category and taxed at a rate of 25%. Tax-free allowances make the system progressive.



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Finland: Unemployment and the economic situation are major concerns 9

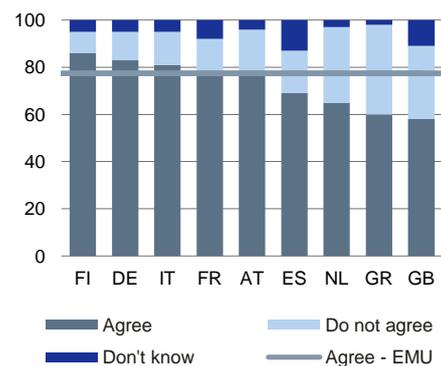
Public opinion on the most important problems, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

Finns don't like debt 10

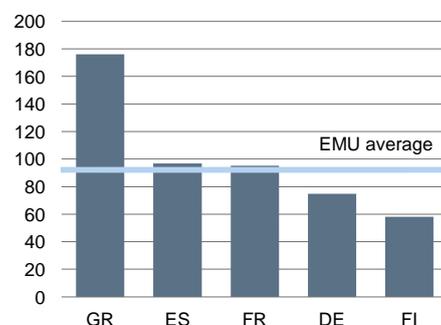
Public opinion on whether reducing the public deficit and debt should be tackled without delay, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

Fact check: Finland's national debt is much lower than the EMU average 11

Total sovereign debt in Q3 2014, % of GDP



Source: Eurostat

Finland: Finns Party

On the right of the political spectrum lies the *Finns Party (Perussuomalaiset)* founded in 1995. The party has been able to raise its profile during the euro crisis, in particular by taking up Eurosceptic positions. The party is calling for defence of the country's national identity and more powers for nation states in Europe.

The *Finns Party's direct influence* results from its strong representation in the national parliament. Following elections on April 19, it is the second strongest party with 38 out of 200 seats, slightly below its last election result.¹⁰ In contrast to 2011, the *Finns Party's* leader Timo Soini has expressed a willingness to be part of the next government. Also, the Centre Party, which won the election with 49 seats, is not ruling any party out of coalition-building yet. The *Finns Party* already influenced Finnish policy while in opposition, with the outgoing government having taken a harder line in negotiations for the second bailout package for Greece at the end of 2011, and having managed to push through a derogation in the form of an additional collateral for further bailout payments to Greece. Although the outgoing government comprising six parties¹¹ enjoyed a high level of confidence with an approval rating of 47% in opinion surveys it is likely that politicians are trying to form a more coherent government, suggesting a three party coalition after the elections.¹²

The *potential influence* of the *Finns Party* stems from cleverly connecting moderate Eurosceptic positions to national concerns. Besides unemployment, the economic situation, health and medical insurance, national debt is one of the most important topics (see Chart 9). The overwhelming majority of the population is of the opinion that the public debt should be reduced without delay (see Chart 10). The *Finns Party* therefore takes a strong line on issues relating to *Europe*. With an eye on the national budget, the *Finns Party* primarily objects to the euro bailout programme and is critical of any form of redistribution within the EU budget. The party rejects any form of joint liability of the eurozone countries for their respective national debt. In general, only a small proportion of the population in Finland is sceptical of its country's membership of the EU: 61% of people surveyed did not agree that Finland would be better equipped for the future without the EU. 75% support the euro. The *Finns Party* thus formulates its demands with corresponding caution. The party criticises the country's net payments to the EU budget and recommends only preparation for an exit from the eurozone and EU in accordance with the constitution. At the national level, in the area of *society and social issues*, the *Finns Party* calls for a greater redistribution of wealth through a more progressive tax system. Tax reductions are to reduce the burden on the middle class and above all families with children. The *Finns Party* is also committed to ensuring basic social security. Another key demand is for referendums — both at a local level and concerning further transfer of powers to the EU. The limited *openness* of the *Finns Party* becomes particularly apparent when we look at immigration policies. The party demands that immigration be strictly linked to a work permit and the resulting tax obligation. Immigration that is not work-related is to be limited by minimising financial incentives and by adopting a more restrictive policy on reunifying family members from non-EU states. It is on this last point in particular that the *Finns Party* taps into the inclinations of the Finnish population: 51% have a negative view towards immigration from non-EU states (41% positive), but 76% have a positive view towards immigration from other EU member states. The *Finns Party* welcomes free trade, but would not support TTIP without national review.

¹⁰ Ministry of Justice. 20.04.2015.

¹¹ Two parties, the Left Alliance (VAS) and the Green League (VIHR) left this coalition prematurely in March and September 2014 respectively.

¹² Three of the four large parties (Centre Party, Finns Party, National Coalition Party and Social Democrats) or two of these and two smaller parties are necessary for a majority.

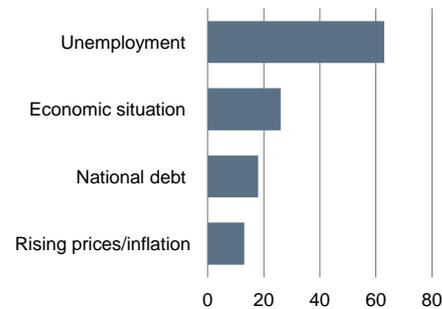


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France: Unemployment is by far the most important issue

12

Public opinion on the most important problems, share of respondents as %

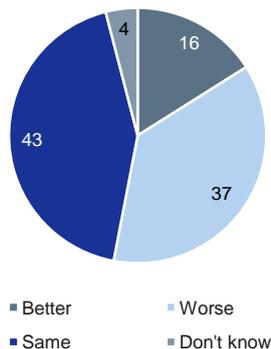


Source: Eurobarometer 82, Nov. 2014

Optimism about the French labour market is low

13

Public opinion on expectations for the labour market for the next 12 months, share of respondents as %

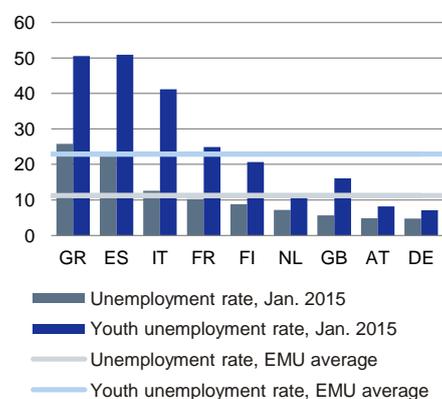


Source: Eurobarometer 82, Nov. 2014

Fact check: Unemployment in France is below the EMU average

14

Monthly average as %, seasonally adjusted



* GR and GB from Nov. 2014

Source: Eurostat

France: National Front

Founded in 1972, the *National Front (Front National: FN)* was realigned strategically in 2011 under the new party leader Marine Le Pen and is now receiving increasing support in France. The rhetoric and behaviour of the FN have been toned down.¹³ At the same time, the FN has expanded its range of topics so that it now criticises globalisation trends and the EU, as well as immigration. The FN is therefore positioned on the right-wing populist spectrum.

In its current campaigns, the FN is striving to exercise *direct influence* in the presidential and parliamentary elections in 2017. In the presidential elections held in 2012, the party leader Marine Le Pen already achieved a surprisingly good result, with 17.9% of the votes. The parliamentary elections in 2012 gave the party two seats in parliament. The FN has a solid standing at local level in particular. The regional elections in most of the 101 Départements in March tested how strongly the FN is able to assert itself against the established parties. After the second round on March 29, it was clear that while the FN enjoyed a high level of support at regional level, it was still unable to win the election in its own right.¹⁴ An influence on the established parties can already be seen, with former President Sarkozy having called for a revision of the Schengen Agreement and tighter immigration controls during the election campaign in March 2012. Current polls see Le Pen second after Nicolas Sarkozy in the first round of presidential elections, which would trigger a second ballot.¹⁵ The FN is frequently ahead of President Hollande's party in the first round¹⁶, with only a low proportion (17%) of the French people expressing confidence in Hollande's government. However, as the voters of established parties would bundle their votes in the event of a second ballot, a President Le Pen is rather unlikely as things currently stand.

The *potential influence* of the FN stems from its agenda-setting on national issues. With regard to *Europe*, however, there is a clear disparity between public opinion and the party's position. While the FN clearly campaigns for an exit from the euro and EU, 67% of the French support the single currency. Only 25% of the French are of the opinion that France would be better equipped for the future outside of the EU. In the area of *society and social issues*, the FN is calling for a more progressive tax system – purportedly to relieve the burden on the middle class. The party is also calling for stronger elements of direct democracy. From a strategic perspective, the FN concentrates on those issues that the French are particularly worried about at the moment – unemployment, the economic situation and national debt (see Chart 12). The labour market situation in the future is also expected to improve by only a small proportion of the French population (see Chart 13). The FN clearly rejects *openness*. It calls for the French economy to be protected with protectionist customs policies. It thus also rejects TTIP. The FN cleverly links the problem of high unemployment with the problem of immigration. It calls for the number of immigrants per year to be strictly limited and defined based on professional skills. The FN is also in favour of incentives for businesses so that they give preferential treatment to employees who are French nationals. The party has thus aligned itself perfectly to the values given by the French people in polls; only 35% were positive towards immigration from outside the EU, while 58% were negative. However, there are differences: while the FN is also open to the idea of an exit from the Schengen Agreement as a means of controlling migration movements within the EU, half of the French people welcome immigration from EU states (51%).

¹³ See Ivaldi (2013).

¹⁴ In the first round on March 22, 2015, the FN, with 25%, was the second strongest force after the conservative UMP, but was unable to win in any Département in the second round.

¹⁵ Opinion Way polling agency, April 15-6, 2015.

¹⁶ Ifop polling agency, February 19-20, 2015.

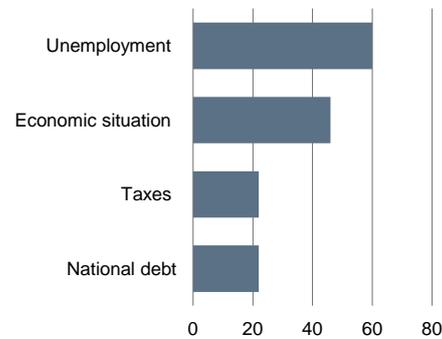


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Unemployment and the economic situation are unsettling the Greeks

15

Public opinion on the most important problems, share of respondents as %

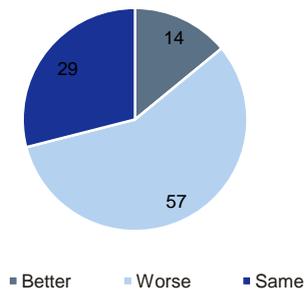


Source: Eurobarometer 82, Nov. 2014

Pessimism about the Greek labour market is high

16

Public opinion on expectations for the employment market for the next 12 months, share of respondents as %

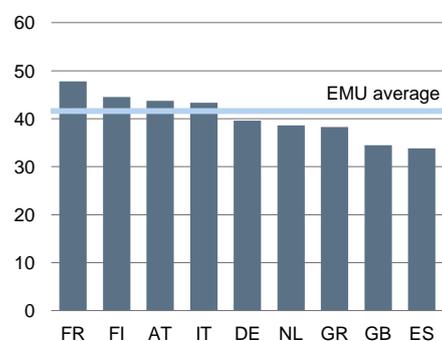


Source: Eurobarometer 82, Nov. 2014

Fact check: Tax burden in Greece is below the EMU average

17

Total tax burden, including imputed social security contributions for 2014, % of GDP



Source: Eurostat

Greece: Syriza alliance

Greece is a special case. Here, the populists have governmental responsibilities. The left-wing *Syriza (ΣΥΡΙΖΑ)* alliance won the parliamentary elections in January as the strongest force and has formed a coalition with the right-wing populist party, the *Independent Greeks*. *Syriza* attributes responsibility for the country's woes entirely to the euro bailout policy. It believes that the causes of the nation's ills lie in the international financial economy and the EU. In the election campaign, the alliance scored points with demands for a write-off of debts for Greece.

Direct influence is provided via participation in government. In this context, voter support for *Syriza* increased initially following the election in January. However, according to polls, *Syriza* currently claims 34.6% of the votes¹⁷ – and therefore even less than its electoral result of 36.3%. *Syriza* has benefited in part from the lack of confidence and trust of the Greek population in the previous government. Prior to the election, only 11% of the population showed confidence in the government of the time – current polls are not available.

Direct participation in government thus strengthens *Syriza's potential influence*. The party taps into the biggest concerns of the Greek population with its rhetoric: unemployment, the economic situation and allegedly high taxes (see Chart 15). With regard to *Europe*, *Syriza* is likely to continue to refrain from calling for an exit from the eurozone or the EU as, despite the conditions of the bailout programme, which are generally viewed negatively, 63% of Greeks are still in favour of the country remaining in the eurozone and 54% do not share the opinion that Greece's future would be better served outside of the EU. The last few weeks have shown that even with government responsibilities, *Syriza* addresses topics flexibly and almost erratically – how it will position itself during the course of the ongoing negotiations with the Eurogroup about an extension of the current bailout package and possible follow-up financing is unclear. On the other hand, *Syriza* is clearly committed to a changed role for the ECB. It calls on the ECB to support states in financing public investments. The Greeks are particularly sceptical about the labour market situation and the state of the economy as a whole (see Chart 16). *Syriza* has tapped into this mood and has recently announced, in relation to *society and social issues*, the suspension of loan repayments by households until the economy has recovered and growth and job creation have set in. One of the party's aims is that in future, it should no longer be possible for houses and apartments that are primary residences to be repossessed, regardless of the high risks of abuse of this waiver. *Syriza* is also planning an extensive welfare programme costing almost two billion euros to restore a strong welfare state. It wants to increase the minimum wage and cancel reductions in pensions and civil servants' salaries. At the same time, it wants to tackle corruption and tax evasion. In the tax system, the party wants to increase taxes on the rich. *Syriza* has a high degree of *openness* towards immigrants. It wants to relax the migration policy and improve the provision for migrants. At the same time, *Syriza* is calling for the abolition of the Dublin II Regulation so that asylum seekers arriving in Greece can be reallocated to other EU states. By contrast, *Syriza* does not want to ratify the free trade agreement with the US, thereby exerting its newly gained influence at European level.

It is questionable whether *Syriza* can actually implement this agenda in view of the reform requirements imposed under the bailout package, the will of its right-wing coalition partner and, last but not least, its lack of consistency.

¹⁷ Metrisi polling agency, April 14-16, 2015.



A profile of Europe's populist parties: Structures, strengths, potential

M5S: desire for government participation questionable

18

According to the code of conduct of M5S, delegates must not enter into any coalitions with other parties or groups – except in votes on common objectives.¹⁸ In Sicily, however, M5S supports the PD minority government. However, this support is deemed to be purely issue-oriented toleration.

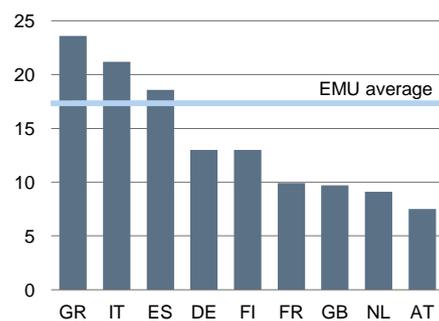
In contrast, the former leader of the PD, Pier Luigi Bersani, tried to achieve collaboration with M5S after the parliamentary elections as the party did not have an absolute majority in the senate. This was accompanied by a significant rapprochement to M5S on some points.¹⁹

M5S itself rules out government participation, at least in coalition with another party.

Fact check: Shadow economy – major differences in Europe

19

Scale of the shadow economy (% of GDP), 2013 estimates



Source: Schneider and Raczkowski (2013)

Italy: Five Star Movement, Northern League and Forza Italia

In Italy, there are several populist movements: *Five Star Movement*, *Northern League* and *Forza Italia*. However, with 38.5% in polls, the government party *Partito Democratico* is still very strong and would be the clear winner in parliamentary elections.²⁰ It is questionable whether an absolute majority can be achieved or whether a coalition would have to be formed with one of the populist parties. Just like in the last elections, the coalition negotiations would probably be difficult and would strengthen the influence of populist parties inasmuch as the PD would have to give way to them on substantive issues.

The *Five Star Movement (Movimento 5 Stelle: M5S)* cannot be clearly categorised as either left- or right-wing. The party's criticism focuses on the party-political corporatism in Italy and the privileges granted to politicians. Since it was founded in October 2009, M5S has achieved victory in various local and regional elections and in 2013 managed to break through at national level in the parliamentary elections. As the second strongest single party, the movement now holds 109 of the 630 seats in parliament. This is confirmed by current polls, in which 20% support M5S. At regional level, M5S already exerts *direct influence*, for example, by supporting the minority government of the PD in Sicily since autumn 2012.

While the party manifesto primarily calls for an expansion of the digital infrastructure (free Internet access), a more intensive use of renewable energy carriers and local public transport, during media opportunities M5S often advocates more extreme positions that could extend the party's *potential influence* in the medium term. With regard to *Europe*, party leader Beppe Grillo is calling for referendums on leaving the eurozone and EU. In the area of *society and social issues*, M5S generally campaigns for greater popular participation in political decision-making via Internet polls. M5S also recommends repealing employment market laws from 2003 that were intended to simplify temporary employment and fixed-term work contracts.²¹ It also wants to introduce guaranteed unemployment benefit. As far as *openness* is concerned, the position of M5S is not clear. While Grillo, as party leader, rejects further immigration, some M5S delegates recently tabled a motion in parliament intended to abolish the criminal offence of illegal immigration. M5S has also not definitively stated its position on TTIP. The party enjoys an extremely high level of public attention, above all through social media. Beppe Grillo's blog is one of the most widely read blog in Italy.

Since it was founded in 1989, the *Northern League (Lega Nord: LN)* has advocated the federalisation of Italy and autonomy for the north. Therefore, it is traditionally Eurosceptic and categorised as right-wing. The LN can exert *direct influence* via its 19 seats in the national parliament and at the regional level is represented primarily in the north of Italy. In the last national parliamentary elections, the LN's share of the vote was halved, with an election result of 4%. In Lombardy and Venetia however, the party provides the regional president. In the Senate, the LN has 15 seats. In the EP, the LN wanted to enter into an alliance with the French FN, Dutch Party for Freedom (PVV) and the Freedom Party of Austria (FPÖ). This plan failed however, as it did not achieve the required minimum number of countries.²²

¹⁸ MoVimento 5 Stelle: Codice di comportamento eletti MoVimento 5 Stelle in Parlamento.

¹⁹ See Brandau (2013).

²⁰ For all Italian poll results: Piepoli polling agency, April 13, 2015.

²¹ For the Biagi laws, see: Coletto and Pedersini (2003).

²² At least 25 representatives are required to form a group and each group must contain representatives from at least one-quarter of the EU member states. It is not possible to be a member of more than one group.

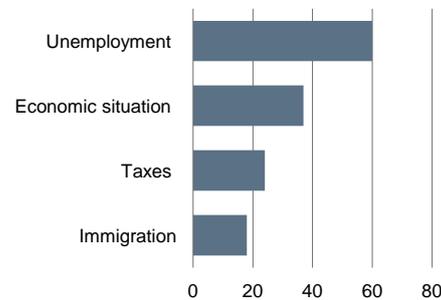


A profile of Europe's populist parties: Structures, strengths, potential

Unemployment is the most important topic in Italy

20

Public opinion on the most important problems, share of respondents as %



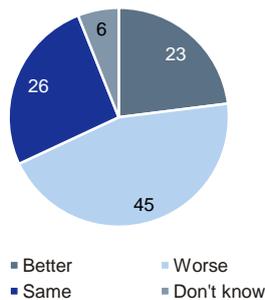
Source: Eurobarometer 82, Nov. 2014

The future *potential influence* of the LN is greater, however. In current polls, the LN is the third-strongest single party, with 14.5%, and could therefore gain an enormous number of votes at national level. This is due not least to taking up a position that precisely matches public opinion. Accordingly, LN opposes current efforts to deepen *European integration*. The party is calling for a referendum on the euro and wants to prevent any further relinquishing of powers to the EU, as this compromises any efforts towards autonomy. In the field of *society and social issues*, the LN objects above all to the central tax system. It wants taxes to be levied at the regional level. It also wants to see an end to redistribution from the financially strong northern regions to the economically weak southern regions. The party demonstrates a limited level of *openness*, as is clear from its stance on immigration and trade policies. The LN campaigns above all against immigration from African and Muslim countries, and calls for immigration powers to be returned to the nation states. It wants stricter regulations on foreign trade — not least to protect European products. It therefore also rejects the free trade agreement with the US.

Italians are pessimistic about the labour market

21

Public opinion on expectations for the labour market for the next 12 months, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

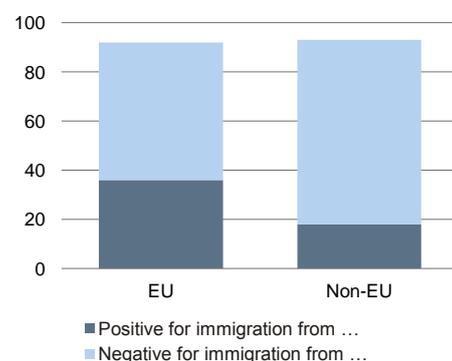
Forza Italia (FI) is a more recent spin-off of the Eurosceptic arm of the *Popolo della Libertà (PdL)* party. Party leader Silvio Berlusconi had already achieved a great deal of success with a group of the same name in the 1990s. Originally, the PdL was seen as a pro-European party. FI is also still represented in the EPP group in the EP, but, in harmony with the other two populist parties, party leader Berlusconi is calling for Italy to exit the eurozone. Before the party split into *FI* and *Nuovo Centra Destra* in November 2013, the PdL was part of the grand coalition in the senate. FI is currently still represented in parliament, with 70 out of 630 seats — its level of *direct influence* is therefore high. According to current polls, FI has 10% of the votes. It would therefore be the fourth-strongest single party.

The official statute of FI dates back to 1998, and thus the early phase of the party. However, at the beginning of 2014 a party charter (*Carta Valori*) was added, that is very abstract. In terms of policy, the profile of FI, which is currently shaped extensively by Berlusconi's issues, cannot therefore meaningfully be categorised using the three main categories that we use to assess the *potential influence*.

More than half of the population in Italy are critical of immigration

22

Public opinion on immigration, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

In principle, we can state that the agendas of the three populist parties are not limited exclusively to those challenges to which the Italian people currently attribute the most importance (see Chart 20). More than half of the population views unemployment as by far the biggest problem and does not expect any improvement in the future (see Chart 21). On the other hand, the Italian populists benefit from selected issues such as Euroscepticism and immigration policy. With the exception of Cyprus, support for the euro is the lowest in the eurozone in Italy at 54%.²³ Accordingly, all three populist parties in Italy are calling for a referendum on the common currency at the very least. The positions of LN and FI on immigration policies are also very similar, whereas the position of M5S cannot be so clearly defined. Of those surveyed, more than half reject immigration from both EU and non-EU states (see Chart 22). With its general criticism of the political system and its anti-establishment rhetoric, M5S above all can benefit from the low level of confidence of the Italian people in the national government, which is currently only 18%.

²³ In November 1999, support for the euro in Italy was the highest in the EU, at 85%, and even in 2010 it was still above the average for the eurozone.

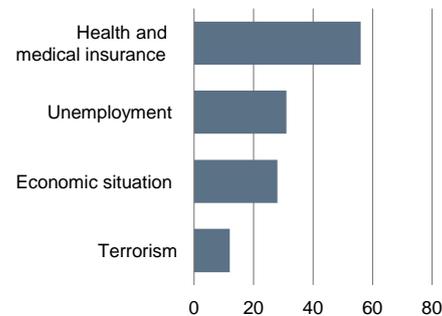


A profile of Europe's populist parties: Structures, strengths, potential

The Dutch are worried about healthcare provision

23

Public opinion on the most important topics, share of respondents as %

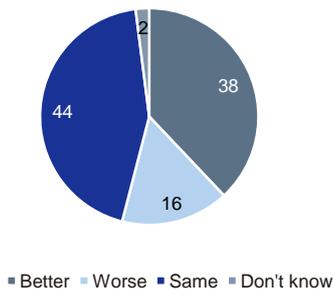


Source: Eurobarometer 82, Nov. 2014

Overall economic situation: the Dutch are confident

24

Public opinion on expectations of the economic situation for the next 12 months, share of respondents as %

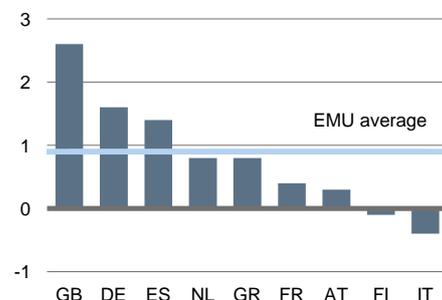


Source: Eurobarometer 82, Nov. 2014

Fact check: Dutch growth is average, Spanish growth is even higher

25

Real GDP growth 2014, % yoy



Sources: Eurostat, Deutsche Bank Research

The Netherlands: Party for Freedom

The *Party for Freedom (Partij voor de Vrijheid: PVV)* can be assigned to the right of the spectrum of populist parties. At its core, the party is opposed to immigration and the EU. The PVV receives a high level of media attention in the Netherlands above all due to its party leader, Geert Wilders.

The party's *direct influence* is a result of its current representation in parliament, with 15 out of 150 seats. According to current polls, in a parliamentary election the PVV would receive 22 seats and thus be behind the governing party *The People's Party for Freedom and Democracy (VVD)* and *Democrats 66 (D66)*.²⁴ The next scheduled parliamentary elections will take place in autumn 2016. In the provincial elections on March 18 the PVV did not do as well as it expected. These have a direct influence on the composition of the first chamber (Senate): the PVV will probably gain two seats in the first chamber and the governing coalition of the VVD and PvdA will lose its majority.²⁵ This may result in deadlock, particularly on decisions about reform proposals. In southern countries, populist parties can benefit from a lack of confidence in the respective national government. In the Netherlands, however, 52% of those surveyed state that they have confidence in the national government of the VVD and PvdA.

With regard to the *potential influence* of the PVV in the future, there are definitely recognisable discrepancies between the core manifesto and the inclinations of the general public. This applies in particular to issues relating to *Europe*. The PVV actively campaigns for an exit from the EU and eurozone. Instead, it wants the national currency to be re-introduced and bilateral agreements such as those in Switzerland to regulate relationships with the EU. At 76%, however, the support of the Dutch for the euro is currently significantly above the EMU average of 71%. 77% of the Dutch people surveyed reject the opinion that the Netherlands would be better equipped for the future outside the EU. As far as *society and social issues* are concerned, the PVV promises not to reduce social security benefits. This includes the excess in the Dutch medical insurance, which the PVV does not wish to increase, despite the rising pressure on costs. It thus addresses the concerns of many Dutch people regarding the consequences of rising costs in the health system,²⁶ currently the most important issue according to opinion surveys, followed by unemployment and the economic situation (see Chart 23). However, the Dutch are primarily positive about the future economic situation, or at least do not think that it will get any worse (see Chart 24). Just like all of the other populist parties, the PVV is also calling for stronger civic participation in binding referendums. The PVV is *open* only with regard to trade. It values free trade within the Single European Market. As far as the free trade agreement with the US is concerned, however, the PVV has stated that it is against entering into negotiations with the US. Otherwise, the particular hallmark of PVV is its warnings about the "Islamisation" of the Netherlands and immigration from Eastern Europe. Resentment towards Muslim citizens is articulated in particularly strong terms.²⁷ The party thus addresses the 50% of the Dutch who are against increased immigration from non-EU states.

²⁴ Ipsos polling agency, April 9, 2015.

²⁵ The states of all of the provinces together elect the Senate (first chamber) of the States General of the Netherlands. How strongly the vote of a member of one of the provincial parliament counts depends on the size of the respective province.

²⁶ See King Willem-Alexander (2014). Speech from the throne 2014. The Hague: Dutch royal family.

²⁷ On account of uttering smears against Moroccans on March 19, 2014 during campaigning for the European elections in a café in The Hague, party leader Geert Wilders has even been charged with incitement.

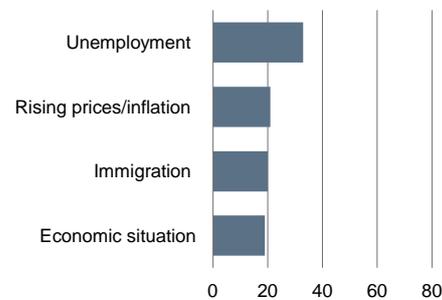


A profile of Europe's populist parties: Structures, strengths, potential

Immigration is one of the most important topics in Austria

26

Public opinion on the most important problems, share of respondents as %

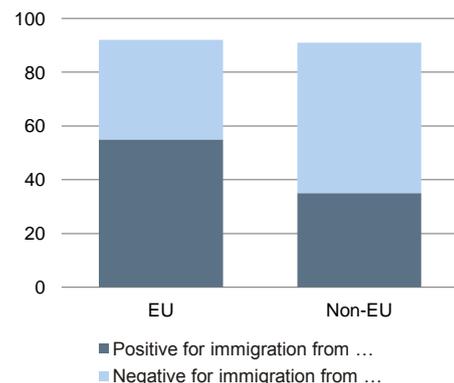


Source: Eurobarometer 82, Nov. 2014

Stronger rejection of immigration from non-EU states in Austria

27

Public opinion on immigration, share of respondents as %

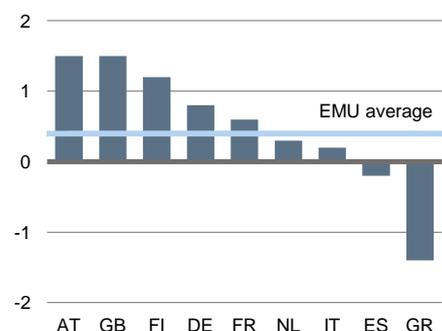


Source: Eurobarometer 82, Nov. 2014

Fact check: Prices rising comparatively fast in AT and GB

28

Annual rate of price increases according to the 2014 HICP as %



Source: Eurostat

Austria: Freedom Party of Austria

Founded in 1955, the *Freedom Party of Austria (Freiheitliche Partei Österreichs: FPÖ)* is the oldest of the populist parties considered here. Following the breakaway of the right-wing liberal faction to form the *Alliance for the Future of Austria (Bündnis Zukunft Österreich: BZÖ)* in 2005, the right-wing populist FPÖ has campaigned against further European integration and the "Islamisation" of Austria.

The *direct influence* of the Austrian FPÖ is significant. In two of the country's nine states, it is in coalition with the conservative ÖVP. Between 2000 and 2003, this coalition even existed at national level. Current polling figures at the national level indicate that government participation by the FPÖ can only be prevented by a further grand coalition between SPÖ and ÖVP at national level as, according to current polls, the FPÖ, with 27%, is ahead of the two mainstream parties ÖVP and SPÖ, who have 23% and 22% respectively.²⁸ The views and representatives of the party are firmly established in the country's political structures and public and published debate in the country. It is generally not seen as an outsider.²⁹

The further *potential influence* that the FPÖ has comes from its ability to take clear positions and to use stronger civic participation as a strategic tool for individual issues that do not reflect the majority opinion. This is particularly clear in the party's position on *Europe*. Current polls indicate that support for the EU is very high in Austria: there is a lot of support for the euro, at 69%, and more than 50% of those surveyed do not believe that Austria would be better equipped for the future if it were not a member of the EU. In comparison with the majority of the population, the FPÖ takes a more sceptical view. It rejects the euro bailout policy entirely and is in favour of an independent economic and monetary policy that is linked either with the return of the national currency or with a currency union among national economies of similar strength. However, the FPÖ resolves the discrepancy between party opinion and public opinion by linking its Eurosceptic positions predominantly to the call for a referendum. This would then enable the population to vote again independently of how they decide to vote at the general election. This strategy enables the party to represent positions that win it media attention and at the same time avoid scaring potential voters who would vote differently on individual issues. In the area of *society and social issues*, the FPÖ is in favour of low taxes and cites this as a prerequisite for higher growth. This issue is ranked higher than a redistribution of wealth. The FPÖ portrays itself as a family-friendly party that represents the interests of the middle class in society. It aligns itself with the sensitivities of the people (see Chart 26) on the issue of immigration in particular, which is an issue for 20% of Austrians surveyed. More than half of those questioned have a negative attitude towards immigration from non-EU states. As far as immigration from EU member states is concerned, only 37% have a negative attitude (see Chart 27). This is expressed in the degree of *openness* of the FPÖ. It calls for strict limits on immigration from Muslim states in particular. Even though the FPÖ calls into question the freedom of movement from certain states even within the EU, it still wants to make an exit from the Schengen agreement contingent on a referendum. The FPÖ also calls for a referendum on TTIP. In particular, the party is critical of the secret negotiations on the agreement. This criticism is coupled with a principally sceptical stance on globalisation.

²⁸ Market polling agency, March 10, 2015.

²⁹ 15 years ago, the then EU member states placed Austria in diplomatic isolation for some months after the elections in 2000 as the FPÖ entered into a coalition with the ÖVP.



A profile of Europe's populist parties: Structures, strengths, potential

Two become four: the party system in Spain

29

It is difficult to estimate future majorities in Spain as poll results from the various agencies differ significantly in some cases. However, the traditional two-party system will probably be replaced with a multi-party system. The parliamentary elections at the end of this year could therefore lead either to a formal coalition between two parties, or to a tolerated minority government.

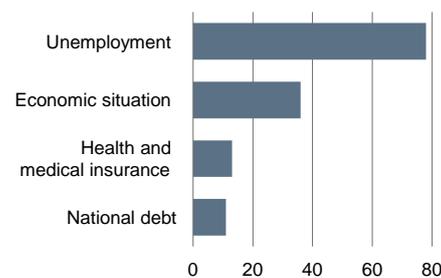
According to polls conducted in April,³⁰ four parties are competing for first place: in addition to the established mainstream parties, the conservative *Partido Popular* (PP: 20.8%) and the social democratic *Partido Socialista Obrero Español* (PSOE: 21.9%), these are *Podemos* (22.1%) and the Catalan anti-establishment movement *Ciudadanos* (19.4%).

However, forming a coalition would be new territory for these four parties: the two established parties have no such experience, and the two newer parties have not yet had any experience in active government. A "grand" coalition between PP and PSOE would be problematic for the junior partner in particular. *Podemos* will probably avoid any coalition with traditional parties, and collaboration with *Ciudadanos* also appears unlikely due to the different priorities in economic policy. *Ciudadanos*, by contrast, could enter into negotiations with both PP and PSOE.

The Spanish are concerned about unemployment and the economic situation

30

Public opinion on the most important problems, share of respondents as %

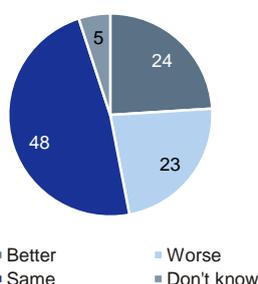


Source: Eurobarometer 82, Nov. 2014

Neither optimism nor pessimism about the Spanish employment market

31

Public opinion on expectations for the employment market for the next 12 months, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

Spain: Podemos movement

A new party on the left of the spectrum is the Spanish *Podemos* movement. It emerged in March 2014 from the movement of the "Indignants" and sees itself as representing the people against a "political caste".³¹

In addition to five representatives in the European Parliament, since the election in Andalusia on March 22, *Podemos* has a voice in a regional parliament for the first time as the third-strongest party with 15 representatives. However, the party has never had any experience in government to date. Its *direct influence* is therefore limited. However, *Podemos* has recently received a high level of support in polls by heavily criticising the political establishment. With 20.1%, *Podemos* is currently one of the three strongest parties, between the established parties *Partido Popular* (PP: 23.5%) and *Partido Socialista Obrero Español* (PSOE: 19.1%).³² Making predictions about how *Podemos* will fare at the upcoming parliamentary elections is difficult, however, for two reasons. On the one hand, current polls show no clear trend towards any individual party (see Box 29). On the other hand, due to the Spanish electoral system, percentage shares of votes cannot be directly converted into the allocation of seats in parliament.³³ The regional elections in 13 of a total of 17 regions in May will provide further indications of the strength of the party in the parliamentary elections in December.

The level of the party's *potential influence* is high, as *Podemos* has thus far taken up clever positions with regard to the sensitivities of the Spanish people. On topics concerning *Europe*, the party is cautious: it does not call for an exit from the eurozone or the EU, as *Podemos* sees the national problems primarily as home-grown. This is an appropriate position in view of the fact that 66% of the Spanish people do not believe that Spain would be better off outside of the EU. However, like *Syriza* in Greece, *Podemos* is also in favour of renegotiating the national debt.³⁴ *Podemos* is committed to a realignment of the ECB's monetary policy strategy, which it believes should in future pursue growth and employment objectives. In the area of *society and social issues*, *Podemos* addresses the problems that the Spanish people consider to be the most important – above all unemployment and the economic situation, but also the health system (see Chart 30). Concerning the labour market, the majority of Spanish people do not expect any change in the future either. What is remarkable, however, is that the proportion of people who are pessimistic about the future is lower than in France, Greece and Italy (see Chart 31). *Podemos* rejects the austerity and reform policies and calls for the reforms that have been put in place since the outbreak of the crisis to be reversed. It wants the retirement age to be lowered to 65 years, a 35-hour week to be introduced and statutory minimum and maximum income levels to be set. The party also wants privatisations to be introduced only after referendums and the health system to be fully nationalised. Whether the party can maintain its high level of credibility with regard to fighting corruption remains to be seen, particularly as financial scandals have recently rocked the party's own ranks. *Podemos* demonstrates a high degree of *openness* with regard to immigration in particular. It calls for an improvement in the rights of legal and illegal immigrants. On the subject of TTIP, *Podemos* remains vague – the party calls for a renegotiation of the agreement and warns of risks, although they do not go into these in any further detail.

³⁰ Metroscopia polling agency, April 2015.

³¹ See Ehrke (2015).

³² GESOP polling agency, April 8-13, 2015.

³³ The Spanish electoral system follows the D'Hondt model, which favours large parties and regional parties whose support is not distributed evenly across all 50 provinces.

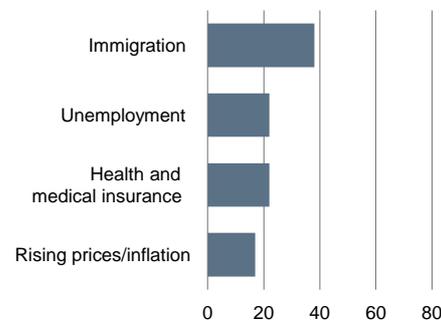
³⁴ In contrast to Greece, which would have to conduct negotiations with the official creditors of the Eurogroup, Spain would be forced to approach private creditors for any debt restructuring.



A profile of Europe's populist parties: Structures, strengths, potential

Immigration is the most important topic in the United Kingdom 32

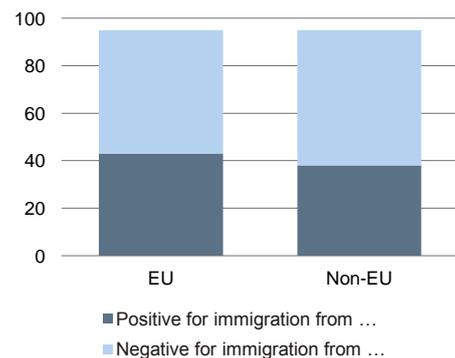
Public opinion on the most important problems, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

In Great Britain, immigration is seen predominantly as negative 33

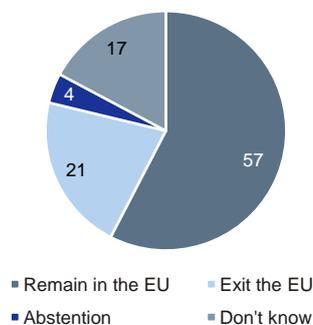
Public opinion on immigration, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

Fact check: The majority of Britons support remaining in the EU 34

Share of respondents as %



Source: YouGov, 22-23 Feb. 2015

United Kingdom: United Kingdom Independence Party

In the United Kingdom, Euroscepticism tends to be more widespread than in other European countries.³⁵ This is also reflected in the party landscape, in which the right-wing conservative *United Kingdom Independence Party (UKIP)*, with its calls to leave the EU, displays the strongest level of Euroscepticism.

At the regional level, UKIP established itself in the regional elections in 2013 and achieved on average around 23% of the votes. Since the by-elections in autumn 2014, UKIP also has two representatives in the British parliament and thus can exert a *direct influence*. However, it is unlikely that UKIP will secure a place in government at the general election in May, even though the party has made enormous gains according to recent polls and is currently in third place behind the Conservatives (34%) and the Labour Party (35%) with 13%.³⁶ UKIP rejects any formal coalition with the Conservatives or the Labour Party. At most, it would provide support for a minority government.³⁷ However, the party's influence on established parties is already visible. Prime Minister David Cameron has announced that the referendum on membership of the EU will be brought forward. This is also the condition stipulated by UKIP for informal support in parliament.

The *potential influence* of UKIP stems from its sceptical stance towards *Europe*, which allows UKIP to score points with the British public: more than 40% think that the country would be better equipped for the future outside the EU. Nevertheless, according to a poll in March, 57% would vote for remaining in the EU, and only 21% of those surveyed currently support leaving the EU.³⁸ In the area of *society and social issues*, UKIP advocates tax reductions, which it wants to achieve via a tiered tax system. Incomes between GBP 42,285 and GBP 55,000 would be taxed at 35%, and any income above that level at 40%. The lower limit for tax would then be increased to GBP 13,500. At the same time, with calls for tighter immigration regulations, UKIP hits a nerve with the British electorate — as well as with its clear positions on unemployment and the health system (see Chart 32), which, as a wholly state-run system, has always been subject to political ambitions. This is clearly spelled out by UKIP's statements on the free trade agreement with the US: UKIP attaches great importance to protecting the state health system, the NHS, and does not want it to be included in the agreement. This limited degree of *openness* also becomes evident in the call for tighter immigration laws. The party wants these to ensure that British employees do not lose their jobs to immigrants and that the national welfare system is not overwhelmed. It calls for uncontrolled immigration to be curtailed by extending the existing points system to EU citizens. More than half of those polled are critical of immigration from both EU and non-EU states (see Chart 33). This differentiates the British from citizens of other EU member states who generally have a more positive view of immigration from the EU than from non-EU states. With regard to trade relationships, UKIP is in favour of a free trade zone with the Commonwealth of Nations. The party has not yet made a specific statement on the free trade agreement with the US. However, the clear call for an exit from the EU implies that UKIP would pursue — if anything — a bilateral agreement with the US.

³⁵ See Böttcher and Schmithausen (2014).

³⁶ YouGov polling agency, April 18-19, 2015.

³⁷ See Dominiczak, Peter (2015). Nigel Farage: No coalition with any of the main political parties. The Telegraph, February 11, 2015.

³⁸ The assumption when answering the question is that relationships with the EU will be renegotiated in Britain's favour before the referendum. YouGov polling agency, March 22-23, 2015.



A profile of Europe's populist parties: Structures, strengths, potential

Overview: Positions of populist parties¹

Country	Party	Polling figures ²	Topic: Europe		Topic: Society and social issues		Topic: Openness			
			Exit from euro	Exit from EU	Greater sovereignty	Taxes/social security	Civic participation	Free trade	Non-EU immigration	Schengen Agreement
DE	AfD	6%	Controlled dissolution of the eurozone	No*, but maximum possible decentralisation	Yes, powers returned to national parliaments	Kirchhof flat-rate tax: 25%, family splitting*	Referendums and initiatives in line with the Swiss model	For free trade, against TTIP* labour market requirements	Points system based on /	
FI	Finns Party	Election result: 17,6%	Preparation for exit	Preparation, EU membership not anchored in the constitution	Yes, revision of EU powers and reformulation of treaties*	More progressive tax system, basic services must be assured	Yes, more referendums	For free trade, unclear position on TTIP*	Restriction of all immigration without a work permit	Wants to regain sovereignty over borders
FR	FN	Le Pen: 26% in the first round*	Controlled dissolution of the currency zone: national currency	Yes*, abolition of institutional structure	Yes, return of sovereignty to nation states	More progressive tax system	Yes, referendums	Against TTIP*, generally more protectionism, exit from the Single European Market will be considered	Strict control of immigration	Restoration of national control over borders
GR	Syriza	34,6%	No*	No*	Yes*	Progressive tax system, extensive welfare programme	Yes, institutions as legislative initiatives of citizens	Against TTIP*	Relaxation of migration policy, abolition of the Dublin II Regulation*	/
IT	LN	14,5%	Yes, referendum	No, but a Europe of regions	Yes, transfer back of powers	Tax reductions	Yes	Against TTIP*	Against immigration, particularly from African and Muslim states*	Yes*, transfer back of immigration control powers
IT	M5S	20%	Referendum	Referendum*	Yes*	Reversal of employment market reforms, guaranteed unemployment benefit	Yes, via online voting	/	Discord in the party	/
NL	PVV	14,5%	Yes	Yes, relationships via bilateral agreements	Yes	/	Yes, binding referendums	Against TTIP*	Against immigration, above all from Muslim and Eastern European states	Rejection, national responsibility for borders
AT	FPÖ	27%	Return to national currencies or establishment of a currency for national economies of similar strength	Exit as a last resort, justification for an exit would be further European integration and an abuse of the subsidiarity principle	Yes, basic constitutional principles of the sovereign member states must take priority over Community law	Lower taxes more important than redistribution of wealth	Yes, referendums in the event of fundamental changes to the constitution via treaties	Against globalisation, referendum on TTIP*	Against immigration	Referendum, calls for general re-introduction of border controls in the EU
ES	Podemos	20,1%	No, but reformation of the eurozone	No, but stronger cooperation from southern countries	Yes	More progressive tax system, reversal of reforms	Yes, by means of referendums for some political decisions	Renegotiation of TTIP	Relaxation of migration policy, more rights for immigrants	/
GB	UKIP	13%	/	Yes, no political union	Yes, abolition of all EU regulations that damage the UK	Tiered tax system that leads to an overall tax reduction, no tax on minimum wage	Yes, introduction of binding referendums	Free trade in the Commonwealth, bilateral trade agreement with the EU instead of the Single European Market, will only state position on TTIP when the final version is available*	Extension of the existing points system to citizens of the EU	/

¹ Details marked with * are not taken from the manifesto but from reporting in the daily press.

² Sources of poll results can be found in the footnotes to the main text.

³ Poll for the presidential election. Assumption: Sarkozy and Hollande are the main contenders.

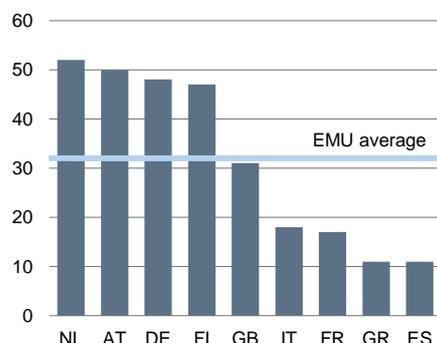


Commonalities and influence in Europe

The North trusts its governments

35

Public opinion on confidence in the national government, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

The profiles show that populist movements are strongly aligned with national interests and issues. Furthermore, our comments illustrate that populist movements in a number of European countries could extend their level of direct and indirect influence. In this regard, what has been particularly beneficial is the fact that the parties were thematically closely aligned – with a few exceptions – with the sensitivities of the respective populations. This raises the question of the extent to which populist parties are capable of forming coalitions at European level beyond their national sphere of influence and impact. What is particularly interesting is to what extent populist parties can utilise their national role as opposition parties to develop opportunities for exerting influence in a theatre of European politics that is increasingly being conducted at the intergovernmental level.

Three reasons allow us to surmise that rising polling figures for populist parties will not necessarily lead to participation in government.

- **Capability of forming coalitions:** The established parties in EU member states have a major interest in preventing populist parties from participating in government. They will therefore increasingly attempt to secure their influence in broader coalitions. The extent to which this will in turn strengthen populist parties in the medium term remains to be seen.
- **Self-image:** A further reason for the lack of ability to form coalitions lies with the populist parties themselves. They consistently present themselves as anti-establishment parties and therefore see themselves tied to the role of opposition. This is taken so far that some parties – such as UKIP in Great Britain, at the national level the AfD in Germany³⁹ or M5S in Italy – even explicitly rule out participation in government.
- **Fast growth:** The histories of many populist parties show that a strong increase in the number of members in a short time coupled with a focus on short-term political issues can quickly lead to internal disputes about direction and discord. For instance, the early phase of the AfD was marked by in-fighting between right-wing liberal and conservative right-wing Christian positions. In-fighting makes it more difficult to coordinate policy strategy for the coalition negotiations preceding participation in government.

Of course, populist parties can also develop their influence from their role as an opposition party, and specifically for three reasons.

- **Topics:** Established parties are required to take a policy position on the topics and issues raised by populist parties. As the rhetoric of populist parties is significantly more pointed than that of established parties, the latter are increasingly forced to take a defensive stance.
- **Synchronisation:** The daily *agenda-setting* of populist parties is partly responsible for the fact that even established parties are increasingly having to deal with specific short-term issues and raise their profiles in those areas.
- **Contagion:** Parties in government have to make compromises with their partners in Europe. These might not always be achieved in the future if, due to strong domestic political pressure, governments of individual countries increasingly represent national interests and demand exemptions.

This can all have a significant effect on a country's reform policies. This is demonstrated, for example, by labour market reforms where there is a time lag before they take effect. In the face of competition from populist parties, the

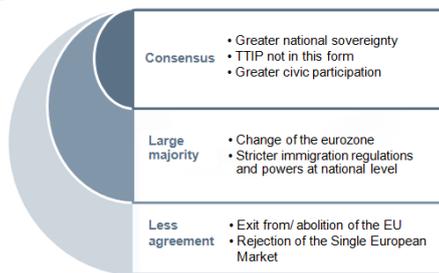
³⁹ Party leader Bernd Lucke to the FAZ newspaper: "At the national level, a coalition with the CDU/CSU is out of the question as long as they stick to their euro bailout policy". June 3, 2014.



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United in rejection of closer European integration

36

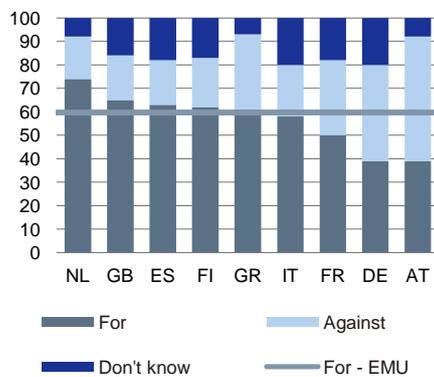


Source: Deutsche Bank Research

TTIP has a high level of support, except in Germany and Austria

37

Public opinion on the free trade agreement with the US, share of respondents as %

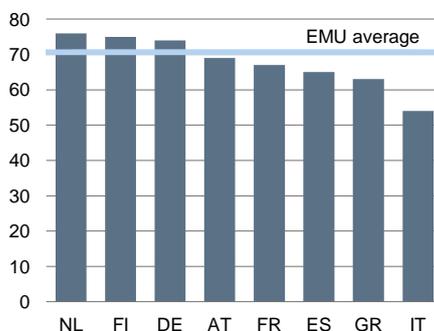


Source: Eurobarometer 82, Nov. 2014

High level of support for the euro in eurozone countries – with the exception of Italy

38

Public opinion on EMU with single currency, share of respondents as %



Source: Eurobarometer 82, Nov. 2014

pressure to justify adopting longer term approaches is always particularly intense. We cannot rule out the possibility that stronger populist parties, with their focus on short-term issues, will also motivate those with political responsibility to argue and work with shorter time frames. It remains to be seen how the head start for reforms given to the crisis states by the ECB's current monetary policy can be used sensibly under these circumstances.

Even though it is not clear whether populist parties will have increased governmental responsibility in future, their influence on the economic policy of their countries is therefore likely to be greater than can be assumed at first glance. This raises the question of the extent to which populist parties can also exercise indirect influence at the European level. The eurozone does not have a shared political public arena – common debate topics and cycles develop only rarely. On many issues, political discourse still takes place first and foremost at the national level – even though this appears to have changed for overarching topics such as growth or consolidation strategies for the eurozone in recent times. The agendas of populist parties therefore differ from one another to the same extent that the policies and priorities of established parties differ across the various countries. Due to the strong focus on specific national interests, coordination on issues remains questionable. In accordance with our three main categories, the issues can be categorised on the basis of the greatest degree of consensus or common rejection.

- *The greatest consensus* among the parties is in the rejection of further steps towards European integration. One of the issues at the core of their demands is the return of powers to the nation states. In this context, almost all of the parties reject the TTIP free trade agreement in its current form.⁴⁰ The criticism raised often does not relate to the free trade agreement itself, but rather the fact that the nation states are not negotiating the agreement themselves. This is associated with accusations of a lack of transparency. Populist parties typically also find common ground in their support for greater civic participation. On this issue they appear to set themselves apart from the established parties.
- *A large majority* of the parties is critical of the current situation in the eurozone.⁴¹ Therefore, an orderly dissolution of, or change in the monetary union is supported across the parties. With the exception of the clearly left-wing parties *Syriza* and *Podemos*, the populist parties campaign for tighter immigration regulations first and foremost for immigrants from non-EU states or Central and Eastern European member states of the EU.
- There is *less agreement* on the call to completely disband the joint federation of states that is the EU, along with its institutions. However, all parties are united in their criticism of the level of democratic legitimation of European institutions, which is deemed to be too low. With the exception of UKIP, all populist parties support the Single European Market as the original foundation of European collaboration.

These explanations show that there are indeed commonalities, although these result primarily from the rejection of common policies. Therefore, *coordinated collaboration* at European level that seeks to achieve compromises within the institutional framework, which the parties reject, would be difficult. The poor propensity for collaboration is evident from the impact of the parties in the European Parliament, for example. Populist parties could indeed join forces to create parliamentary groups. This would be associated, for example, with additional subsidies, representation on expert committees or the right to

⁴⁰ UKIP and M5S are the exception: these parties only want to state their position once the final draft has been unveiled.

⁴¹ UKIP does not come into consideration here, as the United Kingdom is not a member of the eurozone.



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No coordinated collaboration 39

Party	Group
FI (IT)	EVP
AfD (DE)	ECR
Finns Party (FI)	ECR
Syriza (GR)	GUE/NGL
Podemos (ES)	GUE/NGL
UKIP (GB)	EFDD
M5S (IT)	EFDD
FN (FR)	not in a group
FPÖ (AT)	not in a group
PVV (NL)	not in a group
LN (IT)	not in a group

Source: European Parliament

introduce proposed resolutions. The past has shown, however, that a formal collaboration between populist parties either never gets off the ground, as witnessed by the attempt prior to the last European elections to form a right-wing populist group; or, groups splinter, as shown by the *Europe of Freedom and Direct Democracy* (EFDD) group, which, due to the resignation of a Latvian delegate in October 2014, lost its group status for four days.⁴²

Populist movements unite more commonly *against* something rather than *for* something. Therefore, with regard to issues where there is a great potential for consensus, the parties should be able to exert *uncoordinated influence* on European politics. This is achieved via the influence of populist parties on the established national governments. The greater the pressure from populist parties in the same political areas, the greater the probability that established parties from the different countries will react in their political objectives and rhetoric. They could appear increasingly as "protectors" of putative national interests, which could lead to thematic polarisation and confrontation between governments. Negotiations between states could be less pragmatic and productive.

However, the prerequisite for direct influence is participation in government. This is currently only the case in Greece, with *Syriza*. *Syriza* can now actually exercise its veto on decisions that require unanimity, such as agreements based on international law. The free trade agreement with the US is a topical example. *Syriza* has stated that it will not ratify the agreement and could therefore also exert direct influence at European level.⁴³ However, disagreements between the established parties have already occurred in the past, meaning that this is nothing new for the European Council.

Outlook

The growth in the influence of anti-establishment parties in Europe is still difficult to assess. However, polls indicate that populist parties in Europe are not a transitory phenomenon. In most countries, they will probably be represented more strongly in legislatures after further elections.

The rise of new parties is causing major shifts in the party structure in Europe. This applies not only to countries in which a two-party system has prevailed thus far; multi-party systems are also becoming more fragmented. This fragmentation of the party structure will cause protracted coalition negotiations and make it difficult to form coalitions at all.

The effects of the rise of populist parties are already noticeable today. In many countries, established parties are coming under pressure to pursue more Eurosceptic policies, or at least policies aligned with putative national interests. The question of when this latent alignment with specific national interests will lead to a lack of support or even active rejection of European projects even among established parties remains unanswered.

In this unclear overall situation, it therefore seems regrettable that some countries have not used the head start given them by the European bailout programmes and the ECB to implement reforms in good time and to the full extent. Ultimately, the potential for causing deadlock is high, even with regard to the required further development of the institutions of the eurozone, which is

⁴² However, when a Polish MEP who had previously not been a member of a group joined up, the criterion for the minimum number of representatives for seven countries was met again and the group was able to reform. Nonetheless, the example of the EFDD shows how unstable coalitions of movements that primarily follow specific national interests can be.

⁴³ See the report from the industry analyst Euractiv.de from 3 February 2015: Greek minister: "Syriza will never ratify TTIP". Berlin: Euractiv.de



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increasingly faltering due to vetoes being exercised. Populist movements will know how to use the weak growth and conflict of interests that arise from this backlog of reforms cleverly for their campaigns. Their influence and voices are likely to remain strong for a long time to come and significantly impact the political culture surrounding European issues.

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