RECOMMENDATIONS*

* From the Martens Centre to the new European Commission President, Ursula von der Leyen.
Summary

This discussion paper offers selected recommendations to the new von der Leyen European Commission. It highlights the need for action in six broad areas:

1. The Future of the EU and Subsidiarity
2. Foreign and Security Policy
3. Economic and Social Policy
4. Energy and the Environment
5. Technology and Digital Affairs
6. Immigration

Introduction

On 16 July 2019 the European Parliament elected Ursula von der Leyen president of the European Commission by a narrow majority of nine votes. To be elected, von der Leyen had to make numerous concessions to the Socialists and Liberals—and to the Greens, even though they had announced they would not support her in the vote. This document recommends areas where action by the new Commission would be considered beneficial from a centre–right perspective. It does so selectively, without addressing all the possible areas of initiative. The recommendations are designed to highlight general areas of action, give a sense of direction and offer ideas, as opposed to prescribing specific measures. Thus, the authors intend this to be a discussion paper that contributes to the public debate on the priorities of the next Commission.
The Future of the EU and Subsidiarity
The Future of the EU and Subsidiarity

Tasking the first vice-president with defending subsidiarity

The Commission’s first vice-president Frans Timmermans should continue to be entrusted with the protection of subsidiarity. The former Commission was the first to acknowledge that over-regulation and inadequate protection of subsidiarity are real problems in the EU and that they have been drivers of the mounting Euroscepticism in recent years. This Commission has successfully slowed the growth of EU regulation. However, little has been done to substantially reduce the gigantic stock of regulation accumulated in the past and to seriously explore areas of re-delegation to nations and regions. The new concept of active subsidiarity developed by the Commission’s Task Force on Subsidiarity, Proportionality and ‘Doing Less More Efficiently’ is, frankly, disappointing and little more than lip service.¹

Developing an effective and neutral rule-of-law mechanism

Current EU provisions for protecting the rule of law are restricted to a purely administrative process based on dialogue between the Commission and member states (the ‘rule of law framework’) and the political procedure provided for under Article 7 of the TEU, which has proven to be of little effect. The EU institutional triangle, especially the Commission and the European Council, take centre stage in this process, politicising it and, with this, casting doubt on its neutrality and blunting its effectiveness. A more credible alternative would be a committee of independent experts who, protected from political pressure, would review the state of play of the independence of the judiciary, freedom of the press and corruption in all EU member states. This committee could be made up of, for example, former judges from the highest national and European courts. As proposed by Manfred Weber and Udo di Fabo, if this committee had serious misgivings about the rule of law in a given member state, the European Commission would continue the investigation.² If serious violations were uncovered, the Commission would automatically refer the case to the European Court of Justice.

The Court, not the European Council, is best positioned to make neutral and credible decisions on such matters, decisions with which member states would more readily comply.

**Developing a European Cultural Area**

This should be done alongside ongoing plans for a European Education Area, which should be carried forward. Although the treaties give the EU a very limited role in protecting Europe’s cultural heritage, it has been able to develop a presence in this area, and the European Year of Cultural Heritage 2018 was a success. However, in an age of identitarian reawakening when nations and regions are trying to reassert their historical identities and often perceive European integration as a threat, more can be done to debunk the EU’s reputation as a technocratic and post-national polity. The EU should step up its presence in the protection of the historical heritage of its nations and regions, for example by redirecting a significant amount of funding specifically to this goal. In addition to EU-sponsored protection of cultural heritage, the European Cultural Area could encourage exhibitions, research and other initiatives exploring the shared roots of Europe’s civilisation (including religious as well as secular elements) and the cultural foundations of its unity.
Foreign and Security Policy
**Geoeconomic security strategy**

The EU needs a strategy for dealing with the unprecedented geoeconomic challenges posed by countries such as Russia and Saudi Arabia, but especially China. In today’s world, great-power competition no longer takes place primarily in the military domain. Instead, it increasingly occurs in the domain of economics and via instruments such as targeted investments, industrial espionage, the imposition of tariffs, conditional market access and government subsidies to ‘national champions’. The EU has always been a champion of open markets and free international trade. However, the Union is currently extremely ill prepared to respond effectively to the increased geopolitical competition on the world stage, which is also taking place within Europe itself. The EU must therefore develop a geoeconomic security strategy that takes stock of its existing economic foreign policy instruments, outlines what it wants to achieve in the geoeconomic domain and then sets out steps that will help it reach its objectives. The immediate priority should be to limit access to the European market in the case of those actors that apply to European companies and investments extremely restrictive rules of access to their own markets (e.g. China). Another priority is to find ways to shield European companies from unfair competition on the world stage, where they are competing against large government-backed enterprises in different sectors.

**European defence commissioner**

In a very short period of time, the European Commission has become an active player in the field of European security and defence cooperation. For the first time in its history, the Commission now plays a role in important strategic areas such as facilitating military mobility within Europe and providing funding from the EU budget for joint European research and development projects. However, the defence portfolio is currently divided among various commissioners, with none of them responsible for the entire portfolio. This will create coordination problems within the Commission in the future, problems which will eventually undermine EU-level strategic planning in defence matters.
To improve the coordination of defence policy within the next Commission, the appointment of a European commissioner for defence would be very beneficial. It is regrettable that von der Leyen’s agenda, as announced so far, does not seem to provide for this.

**Mapping out the future of the Eastern Partnership**

The Eastern Partnership is celebrating its tenth anniversary this year. All the same, it is struggling to stay high on the EU agenda because the member states, the EU institutions and most Europeans individually do not have a concrete vision of how it should develop beyond 2020. The second half of 2019 offers a good opportunity to consider this matter. Indeed, a number of interesting ideas have already been set forth. At the same time, recent discussions have also revealed the limits of how far EU member states are willing to take relations with Eastern Partnership countries in the future, especially when it comes to the enlargement process. There are plans to downsize the Commission by merging DG NEAR and DG DEVCO. But this would not only cast a shadow over further enlargements and reduce the capacity/competence of the Commission now, but also affect the EU’s image in the neighbourhood. Finally, all of this is connected to the plan to merge the Union’s external financial instruments, including the European Neighbourhood Instrument and the EIDHR. This is highly problematic for the EU’s support for democracy and for the neighbourhood in general as a special partner to Europe. Moreover, a mammoth financial instrument of the sort envisaged raises problems of accountability.
Economic and Social Policy
Implementing a reformed and more sustainable eurozone

A decade after the crisis that came close to destroying it, the eurozone remains fragile. The lack of fiscal discipline, a key cause of the crisis, remains a relevant issue and one that is regularly exploited for populist gain. Politically, the European Commission’s supervision of member states’ adherence to fiscal rules is increasingly causing divisions. The incoming Commission should act to simplify the governance of the eurozone by completing the Banking and Capital Markets Unions, restoring the no-bailout rule and putting in place a fiscal framework that would, in the longer term, allow the responsibility for fiscal discipline to return to the national level.

Building a close and mutually beneficial EU–UK relationship

Regardless of the form that Brexit takes in the coming months, the UK will remain a very important economic, environmental, political and security partner for the EU in the years ahead. In this context it is vital that the incoming Commission facilitates the development of a bespoke EU–UK compact which will ensure the closest possible cooperation in the future.

A middle-class lifestyle sustains a middle-ground politics

It is now widely accepted that the traditional social market economic model needs to be updated to bring it into line with the digital age. The cornerstones of what can be termed a ‘middle-class lifestyle’—stable employment, a good education and affordable housing—are increasingly out of reach for millions of people. To help bridge the gap between political rhetoric and the realities facing ordinary Europeans, the Commission should focus on taxation and social security reform, the work–life balance and social mobility.
Placing gender balance at the core of the EU

The EPP has long been committed to the principle of gender equality. In a manner consistent with the founding principles of the EU, the incoming Commission should continue to place gender balance at the centre of all policy areas and to support member states in tackling all gender-based discrimination. This should be done more through incentives and leading by example than through rigid regulations and quotas.
4*

Energy and Environment
Back to basics in the European Energy Union

The Juncker Commission’s Energy Union initiative has provided a strong impetus for deepening the internal energy market. Moreover, it has provided a comprehensive framework for pursuing ambitious targets for renewable energy and energy efficiency by 2030. The European Commission has to remain firmly devoted to the fundamental aims of the Energy Union and needs to oversee the successful implementation of a number of commitments. First, the energy interconnectivity between European member states remains of vital importance for the next Commission: the full synchronisation of European electricity grids in the Baltics should be a priority, as should the further improvement of gas interconnections in Central and Eastern Europe. Second, the Commission should follow up on its long-standing commitment to further diversification of the energy supply, including by way of viable LNG imports or improved partnerships with third countries. Lastly, the Commission should continue to represent the collective interests of the Union when it comes to energy affairs. The construction of the Nord Stream II pipeline is a worrying illustration of how the individual interests of several member states can pose a direct threat to the energy security of parts of the EU because the Union is unable to speak with one voice on energy.

No concessions to Russia

In 2018 the Commission decided not to fine Gazprom after a long-lasting antitrust probe which proved that the Russian company had abused its market dominance and engaged in the political extortion of a number of European member states. The Commission should remain alert to the integrity of the European gas market. It needs to be vigilant about price-setting by Gazprom and to stand ready to fine the state-owned giant if fails to honour its commitments in connection with the compromise that was reached. Additionally, with the potential construction of the Nord Stream II pipeline, Europe is facing a shift of natural gas imports to the north: through the Baltic Sea directly to Germany.
If Nord Stream II is completed, it should comply with all provisions of the European energy acquis for ownership unbundling, third-party access and tariff regulation. The European Commission should not grant the pipeline project a derogation from European energy rules, as requested by the company’s CEO. In parallel, the Commission should be firmly committed to brokering a compromise between Naftogaz and Gazprom on the continued deliveries of natural gas through Ukraine after December 2019.

### A sensible approach to the global problem of climate change

The Commission estimates that there is an annual 180 billion euro funding gap that has to be filled if the EU’s 2030 priorities agreed in Paris are to be achieved. Economic growth cannot be sacrificed if we want to allocate sufficient resources for funding the transition to a sustainable economy. To leverage investment, the upcoming Commission should use all funding mechanisms available in the EU budget, thus creating a multiplier effect and reducing risks for private investors. The green bonds pioneered by the EIB could be a useful tool, and the institution could play an important role in the EU’s decarbonisation efforts. Moreover, the upcoming Commission represents a good opportunity to address the possible reduction of fossil fuel subsidies across the EU. In this challenge subsidiarity plays a major role. Regional and local authorities are responsible for the implementation of the majority of measures aimed at tackling climate change. They should be actively involved in designing these measures and putting them in place. When it comes to the transport industry, technological improvement seems the most viable option for containing emissions, which have been rising in recent years. The electrification of vehicles and the use of hydrogen and biofuels offer paths for a stable transition within the next decade. Lastly, the Commission should further enhance its role as a leader in environmental protection on the global stage and try to systemically pressure the big polluters to contribute. The reality is that an over-ambitious EU which is fixated on internal targets and goals will not be able to tackle climate change if countries such as China, the US, India and Brazil are not fully on board.
5

Technology and Digital Affairs
Getting serious about disinformation

The new Commission should carefully examine the results of the implementation of the voluntary Code of Practice on Disinformation and assess whether social media companies have actually made progress in the fight against hate speech, disinformation and fake accounts. Given the doubts and uncertainties linked to ‘self-regulation’ practices within the private sector, the Commission should also explore options for developing binding regulation in this area. Additionally, there is still much room for improvement in the member states’ cooperation in responding to disinformation and exchanging information. Establishing a Rapid Alert System and improving information sharing among the EU27 are still works in progress—there is a danger that it will be a matter of too little, too late. The new European Commission will have the key task of continuing these efforts and making sure that the objectives in the Action Plan against Disinformation are achieved.

Artificial intelligence—going beyond ethics

The Commission should develop a comprehensive and binding regulative framework for artificial intelligence. This framework should include, but go beyond, ethics and ensure that the EU remains a key player in the artificial intelligence race. The Commission should lead a united member-state effort to draw clear red lines on what is legally permissible in areas such as citizen surveillance, behavioural profiling, automated decision-making algorithms and lethal autonomous weapons. It also needs to carefully consider (a) whether private companies’ algorithms should be audited by external organisations and (b) the question of accountability in connection with automated systems. With the next Commission, the EU has an opportunity to further develop its distinct regulatory model for the democratic governance of artificial intelligence, a model which countries outside the Union could adopt.
Getting the US on board

One ambitious objective for the upcoming Commission will be to attempt to develop closer cooperation with the US on central issues such as protecting privacy, tackling disinformation and regulating online space. The fragmentation of online governance (the ‘Balkanisation of the Internet’) will be a growing problem in the years to come. It is vital that the transatlantic alliance adopts a common approach to such issues. Adopting the same regulatory framework is, of course, not feasible. However, the US and the EU should be ready to cooperate more fully in these domains, especially given Russia’s and China's nascent authoritative models of Internet governance.
6

Immigration
A Commission vice-president for migration

President-elect von der Leyen has appointed a vice-president for protecting the European way of life. This new portfolio has the potential to bring together several policy strands that in the outgoing European Commission were not well coordinated. In the outgoing Commission, different commissioners and directorates-general occasionally submitted contradictory proposals regarding the EU’s migration policy. This lack of coordination was particularly palpable with regard to the external dimension of the EU’s migration policy, in areas such as foreign policy, development and humanitarian aid, and trade and investment. The portfolio of the vice-president for protecting the European way of life goes a long way towards providing the necessary coordination. It covers equality and diversity, migrant integration, asylum legislation, border protection, free movement, skilled immigration and the external dimension of migration. The new vice-president should work with the fellow commissioners who cover those immigration-related areas that are not included in the vice-president’s portfolio, namely investment, development and humanitarian aid, and the funding instruments for migration. The vice-president should also promote certain specific policies. First, the vice-president should step up the EU’s contingency planning, to avoid a repetition of the 2015–16 migration crisis. Second, in cooperation with the new Home Affairs commissioner, the vice-president should lead efforts to increase transparency on immigration policies at home. The European public should have more information about governments that do not implement existing legislation, as well as about governments that continue to misspend migration-related EU funds. Third, the vice-president should lend support to those EU national governments that decisively tackle illegal labour-market practices. These practices create demand for illegal workers and are thus among the root causes of migration.
A stronger external dimension to the EU’s migration policy

Europe’s unstable geographical neighbourhood, the desire for a better life, climate change and poor governance are all helping to produce mass movements of people—and some of these people are headed for Europe. The current Commission has been correct in assisting several lead member states to broker deals on irregular migration with Turkey, West Balkan states and North African states. It has provided humanitarian aid to refugee-hosting countries and has financially supported efforts aimed at improving the management of migration and borders in the neighbouring countries, particularly in Africa. These efforts need to continue. The Commission should more strongly coordinate member states’ migration-related activities abroad, ensuring that common European interests are served. During the negotiations on the EU’s Multiannual Financial Framework (long-term budget) for 2021–27, the Commission should insist on having discretionary funding at its disposal to assist the EU’s neighbours with migration and border management, as well as sufficient humanitarian funding. As a matter of urgency, the new Commission should speed up negotiations with Turkey on the extension of the existing refugee deal.
Conclusion

This discussion paper has offered selected recommendations on the agenda of the new von der Leyen European Commission. It has attempted to view from a centre–right perspective a number of areas that have already been prioritised by the new president, including environmental policies, gender equality, Brexit and immigration. It has also emphasised areas that have been less prominent in von der Leyen’s declarations to date, areas such as subsidiarity and defence.