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Schrauwen, A.

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A Geopolitical Commission, a European Green Deal and Trade

On 16 July 2019, Ursula von der Leyen delivered her political guidelines, including six headline ambitions, for the European Commission 2019–2024.¹ Von der Leyen’s ambition for Europe is caught in the following sentence figuring in the introduction of her political guidelines: ‘Europe must lead the transition to a healthy planet and a new digital world. But it can only do so by bringing people together and upgrading our unique social market economy to fit today’s new ambitions’. In other words: Europe should aim to be a global leader and standard setter. Von der Leyen has prioritized climate change, social fairness, technological change, internal security and protection of European values, a changing world order, and strengthening EU democracy. The headline ambitions present in a somewhat reshuffled order the same ideas as expressed in the June 2019 Strategic Agenda 2019–2024 of the European Council.² That document equally mentions the EU’s ambition to become a global leader in a green economy, to protect citizens and freedoms, to realize a clean, fair and social economy, and the need for a strong internal economic base in order for external action to be effective.³ The resemblance should not come as a surprise, as the European Council unanimously selected von der Leyen, who was not a lead candidate of one of the political parties in the European elections.

Both the Strategic Agenda from the heads of state and government and the political guidelines from the new Commission president respond to the challenges brought by climate change, technological transformation and demographic developments. At first sight they indicate a change towards more attention for non-

¹ See https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf (accessed 15 Nov. 2019). The six headline ambitions are named: a European Green Deal; a Europe Fit for the Digital Age; an Economy that Works for People; Protecting our European Way of Life; a Stronger Europe in the World; a New Push for European Democracy. In debates with the European Parliament, von der Leyen was forced to adapt the name of the fourth headline ambition to ‘Promoting our European Way of Life’.

² Notably protecting citizens and freedoms; developing a strong and vibrant economic base; building a climate-neutral, green, fair and social Europe; promoting European interests and values on the global stage. See Annex to the European Council Conclusions of 20 June 2019, EUCO 9/19.

³ *Ibid.*, at 7.

economic objectives, especially in comparison to the 2014 Juncker political guidelines focusing on ‘Jobs, Growth, Fairness and Democratic Change’.⁴ Arguably, the guidelines for a new Commission are determined by the broader political, economic and global context of the period in which they are presented, as is also reflected in von der Leyen’s observation that the EU has moved out of the era of crisis management. However, the current challenges were already identified in the 2014 Juncker political guidelines 2014, notably ‘the digital age, the race for innovation and skills, the scarcity of natural resources, the safety of our food, the cost of energy, the impact of climate change, the ageing of our population or the pain and poverty at Europe’s external borders’.⁵ It shows the topics are not new, but the presentation and approach are different.

1 A (GEO-)POLITICAL COMMISSION

Next to the political guidelines, the mission letters to the designate-commissioners as well as the formal explanation of the main working methods are a source of information for the ambitions of the new Commission. Both show how the internal organization of the new Commission aims to elaborate crosscutting responses to present-day challenges instead of a single discipline approach to problems. Von der Leyen’s Commission will have three executive vice-presidents, members of the three major parties in the newly elected European Parliament, and five regular vice-presidents. These eight vice-presidents are to steer and coordinate thematic Commissioners’ Groups on each of the priorities of the Commission.⁶ The structure aims at bringing together members of the Commission and different parts of Commission services to shape coherent policies. It is the reflection of the first principle of the working method: the ‘whole of governance approach’. This approach underlines that all headline priorities are interlocking and part of the same mission. In fact, prioritization of policies and a top-down approach in the organizational structure can be seen as a continuation of the more ‘political’ Commission introduced by Juncker, where the strong agenda-setting role of the ‘technocratic’ Directorates-General has been weakened. Thus, the legitimization of the Commission via the consent of the European Parliament is reflected in the working method that puts not only decision-making but also steering capacity in the hands of Commissioners.⁷ Together with the explicit mention in the guidelines

⁴ https://ec.europa.eu/commission/sites/beta-political/files/juncker-political-guidelines-speech_en.pdf (accessed 11 Nov. 2019).

⁵ *Ibid.*, at 3.

⁶ https://ec.europa.eu/commission/sites/beta-political/files/working-methods-principles_en.pdf.

⁷ See *Institutional Rebalancing: The Political Commission*, in *What Comes After the Last Chance Commission? Policy Priorities for 2019–2024* 7–18 at 11 (S. Blockmans ed., CEPS 2019).

of a partnership between Parliament and Commission and the pledge to improve the system of lead candidates or *Spitzenkandidaten*, the new Commission promises to be no less ‘political’ than the former one, despite its president not being a lead candidate. One may wonder whether the Commission is able to live up to this presentation of its mission. It certainly has the task to initiate policies in the general interest of the Union and has the exclusive competence to initiate legislation,⁸ but in the end the European Council defines the general political directions and priorities thereof.⁹

The team-oriented way as working method gives an insight into the portfolios that are considered in particular related to and relevant for a policy priority. Thus, Vice-President Timmermans, responsible for the European Green Deal portfolio, will give ‘as a rule’ guidance to the Commissioner for agriculture, the Commissioner for health on issues concerning food safety, animal and plant health, and the Commissioners for transport, for energy, and for environment, oceans and fisheries.¹⁰ Josep Borrell, the High Representative for Foreign Policy and Security Policy will, as Vice-President of the Commission, as a rule, give guidance to the Commissioners for Neighbourhood and Enlargement, for International Partnerships, and for crisis Management.

The second principle mentioned in the document on the working methods, named ‘geopolitical’ is very interesting for what it presumes: the aim of the principle is to make the Union’s external action *more* strategic and coherent, and serves to align the internal and external aspects of the Commission’s work and enhance the relationship between Commission and the European external action service. In all her mission letters to the Commissioners-designate, von der Leyen states explicitly that the High Commissioner will support her in coordinating the external dimension of all Commissioners’ work. The letters explicitly include the phrase ‘This will be a **“Geopolitical Commission”**’.¹¹ In her mission letter to Josep Borell,¹² von der Leyen makes clear why this Commission is a ‘geopolitical’ one. It will aim to strengthen the autonomous capacity of the Union, enhancing its decision-making capacity to enable fast and efficient decisions – notably by aiming at decision-making by qualified majority voting – making external action systematic part of the decision-making within the Commission, working towards a European Defence Union and

⁸ Articles 17 (1) and (2) TEU.

⁹ Art. 15(1) TEU. See also D. Gros & S. Blockmans, *Von der Leyen’s Commission: More Balanced, Less Impartial?*, CEPS in Brief 11 Sept. 2019, <https://www.ceps.eu/von-der-leyens-commission-more-balanced-less-impartial/>, who see a risk in the attempt ‘to mimic a grand coalition government’ for the Commission’s role as impartial guardian of the Treaties.

¹⁰ The mission letters to the individual commissioners indicate under whose guidance they ‘as a rule’ will work, see <https://ec.europa.eu/commission/interim/commissioners-designate> (accessed 15 Nov. 2019). Note that following debates in the European Parliament, the portfolio ‘environment and oceans’ was renamed ‘environment, oceans and fisheries’.

¹¹ Bold in the original, A.S.

¹² https://ec.europa.eu/commission/sites/beta-political/files/mission-letter-josep-borrell-2019_en.pdf.

connecting that Defence Union with the Commission's priority to make Europe 'fit' for the Digital Age. This comes at a time when Macron's declaration that NATO is suffering 'brain death' is discussed among the allies. In view of von der Leyen's selection by the European Council, it is likely that the more important role the High Representative will have in the European Commission and the increased role of the Commission in the EU's external action has the approval of all Member States.¹³

Interestingly, the Commissioner for trade will 'as a rule' work under the guidance of the Commissioner responsible for a 'Europe that works for people' and forms part of a Commissioner's group together with the Commissioner for jobs and social rights, the Commissioner for economy and the Commissioner for cohesion and reforms. At first sight, it seems a more inward-looking thematic group and is at odds with von der Leyen's discussion of the role of trade policy and the EU as standard setter for free and fair trade under 'a stronger Europe in the world' heading in her political guidelines. Nevertheless, the 'whole of governance approach' and Von der Leyen's mission letter to the Commissioner-designate for trade, make clear that both climate action and free and fair trade are elements of the ambition of this geo-political Commission to make external action more strategic and coherent in order for the EU to act as an equal in the world of great powers, to shape the global trade system and to export knowledge, technology, and best practice as a front-runner in the ecological transition.¹⁴ At the same time, aiming for a European green deal and making it part of free and fair trade might be a way to increase popular confidence in the EU and respond to alleged public concerns over the legitimacy and environmental effects of global trade.

2 A EUROPEAN GREEN DEAL

Putting the heading 'A European Green Deal' upfront in the guidelines, presenting it as Europe's hallmark and linking it implicitly to the young climate protesters sends a strong message that the EU does listen to 'voices in the street'. The inclusion of two targets, a hundred-day target to propose a European Green Deal and a 2050 legal climate-neutrality target make the ambition more tangible. Furthermore, the guidelines indicate several instruments to achieve the targets, such as an extension of the emissions trading system, an industrial strategy focusing on clean technologies and the circular economy, and financial measures such as the proposal to turn part of the European Investment Bank into Europe's climate bank by ensuring that 50% of its

¹³ S. Subotić, *A 'Geopolitical' Commission – What's in the Name?*, CEP 2019, <https://cep.org.rs/en/blogs/a-geopolitical-commission/#>.

¹⁴ S. Biscop, *A Geopolitical European Commission: A Powerful Strategy?*, Clingendael Spectator, Sept. 2019, <https://spectator.clingendael.org/nl/publicatie/geopolitical-european-commission-powerful-strategy>.

total financing is dedicated to climate investments by 2025, to design a ‘just transition fund’ as well as a strategy for green financing and a sustainable Europe Investment Plan that ‘will support 1 trillion euro of investment over the next decade’.¹⁵ The introduction of new instruments is also proposed, notably a new Carbon Border Tax, as well as the design of a ‘farm to fork strategy’ on sustainable food, a ‘biodiversity strategy’ and a new Circular Economy Action Plan. The guidelines take climate change as a starting point to indicate which instruments and policies are necessary to address the challenge. In comparison with the 2014 Juncker political guidelines, where climate policy was seen as a contribution to jobs, growth, investment and competitiveness and to the establishment of a European Energy Union, and where the focus was on renewable energy as ‘industrial policy imperative’ to ensure Europe has access to affordable energy, the European Green Deal constitutes a shift in approach and focus. On the other hand, the ideas presented under the heading of the Green Deal already figure in the Commission’s long-term strategic vision for a climate-neutral economy,¹⁶ published in November 2018.

Turning climate action into ‘Europe’s hallmark’ as von der Leyen did can also be dangerous and backfire at the EU when the ambitions are compromised and watered down in the EU decision-making process.¹⁷ For now, the European Council endorsed the ambition to ‘lead the way in a socially fair and just green transition’, but has failed to agree on a commitment to EU climate neutrality in 2050.¹⁸ Von der Leyen’s promise to invest record amounts in the ecological transition is quite challenging, in view of the May 2018 Commission proposal for the Multiannual financial framework (MFF) 2021–2027. The proposal aims to reserve 25% of the EU budget for contribution to climate objectives.¹⁹ A large share of the 25% is part of other EU funding programmes such as Horizon Europe, the European Regional Development Fund, the European Social Fund+, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. In total, it would amount to some 320 billion euro if the Commission’s MFF proposal is accepted.²⁰ The amount proposed for the LIFE program (French: L’Instrument Financier pour l’Environnement), specifically dedicated to climate action is 5450 million euro.²¹ Making the Green Deal a hallmark

¹⁵ Political guidelines, *supra* n. 1, at 6.

¹⁶ European Commission, *A Clean Planet for All. A European Strategic Long-Term Vision for a Prosperous, Modern, Competitive and Climate Neutral Economy*, COM(2018) 773 final.

¹⁷ See also <https://www.politico.eu/article/timmermans-climate-commission-european-green-deal/>.

¹⁸ The European Council Conclusions of 20 June 2019 include a footnote in the text on climate change stating that a large majority of the Member States agree on the 2050 climate neutrality target, EUCO 9/19, at 1. See also European Council Conclusions, 17 and 18 Oct. 2019, point 4.

¹⁹ European Commission, *A Modern Budget for a Union that Protects, Empowers and Defends*, COM(2018) 321 final, at 13.

²⁰ See https://ec.europa.eu/commission/sites/beta-political/files/budget-proposals-modern-eu-budget-may2018_en.pdf, final page.

²¹ Annex to COM(2018) 321 final, at 60.

for Europe should also ensure visibility of green and sustainable financing, understood as taking due account of social and environmental considerations in investment decision-making.²² Here also, the promise to support 1 trillion euro of sustainable investment in the next decade can lead to anti-Europe sentiments when the EU fails to deliver.

In 2018, the Commission already made a connection between Europe's ecological transition and global leadership. In its action plan for financing sustainable growth, the Commission writes:

Following the decision of the United States to withdraw from the 2015 Paris Agreement, there is a growing need for global leadership in the move towards sustainable development. Europe is well-placed to step into the role of global leader and, in doing so, can become the chosen destination for sustainable investments, such as low-carbon technologies.²³

Von der Leyen's political guidelines refer to trade agreements as instruments to export European values and climate, environmental and labour standards across the world. Her mission letter to the Commissioner-designate for Trade includes the promise that every new trade agreement will have a dedicated chapter on sustainable development. It also refers to more engagement with Member States and better communication as an asset in 'debunking myths and ensuring that our trade policy responds to citizens' concerns'.²⁴ However, the extent to which the EU is able to influence the values, standards and practices of powerful economic partners is said to be limited.²⁵ Again, delivering on the promise to export environmental and climate change standards may be difficult, though the political impact of not delivering might be less serious.²⁶ Whether a 'geopolitical approach' will make a difference is uncertain, especially since the EU for now remains largely a soft power.

In conclusion, von der Leyen's political guidelines for 2019–2024 are highly ambitious, as is the statement to make the European Green Deal the hallmark of the EU. Sustained economic growth and record high employment may seem cause for an optimistic climate in which it is easier to give an ambitious spin to policies that were already set in motion. However, there is also a risk in high ambitions, especially when these are made more tangible via deadlines and budgetary promises. Not

²² Action Plan: Financing Sustainable Growth, COM(2018) 97 final of 8 Mar. 2018. An EU framework for sustainable financing is provided in the proposal for a Regulation of the European Parliament and of the Council on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341, COM(2018) 354 final of 24 May 2018.

²³ COM(2018) 97 final, *supra* n. 22, at 12.

²⁴ https://ec.europa.eu/commission/files/phil-hogans-mission-letter_en, at 6.

²⁵ P. Leblond & C. Viju-Miljusevic, *EU Trade Policy in the Twenty-First Century: Change, Continuity and Challenges*, 26(12) J. Eur. Pub. Pol'y 1836–1846, at 1840 (2019).

²⁶ A. R. Young, *Two Wrongs Make a Right? The Politicization of Trade Policy and European Trade Strategy*, 26(12) J. Eur. Pub. Pol'y 1883–1899 (2019), who argues that the politicization of trade policy has been overstated and that the public unrest regarding TTIP is likely to be an exception.

delivering on an action plan or a strategy is less obvious than not delivering on a deadline or a budgetary promise. The presentation of the Commission as geopolitical and of its working method as a ‘whole of governance approach’ will not bring any changes in the compromising and watering down of ambitious proposals once Member States have to agree on them. In that respect, the negotiations on the Multi-annual Financial Framework are a first test case of the new Commission’s ability to get concrete commitment from the Member States for the 2019–2024 ambitions.²⁷

A.S.

20 November 2019

²⁷

At the time of writing this editorial, all commissioners-designate have been given green light in the hearings before the European Parliament. The expectation is that the Commission will get the consent of the European Parliament in its plenary session of 27 Nov. 2019 and will start its term on 1 Dec. 2019. The Commission started an infringement procedure against the UK for not nominating a candidate for the Commission, as legal preparation to be able to proceed with the nomination procedure on 1 Dec.

