

# ECONOMIC ACTORS IN THE FACE OF NEW EUROPEAN DECISION-MAKERS: HOW TO TAKE ADVANTAGE OF THE NEW POLITICAL POWER RELATIONS?

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## STRATEGIC RECOMMENDATIONS FOR ECONOMIC ACTORS:

- **INCREASE** monitoring and influence actions towards all EU decision-makers, whose power relations have never been so uncertain (see §-1, 2 and 3);
- **TARGET** all political forces of government, from Greens to Eurosceptic right (see §-1);
- **INTENSIFY** its attention to the MEPs and the Council, who are in a strong position in relation to the Von Der Leyen Commission (see §-2);
- **STRENGTHEN** monitoring and influencing strategies vis-à-vis Member States, and thus act in key national capitals (see §-3).



**Ursula von der Leyen**

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The entry into office of the MEPs elected in May 2019 and the establishment of the European Commission chaired by Ursula Von Der Leyen on the 1<sup>st</sup> of December have led to tough negotiations on the European Union's political agenda for the 2019–2024 legislative round.

These negotiations make it possible to measure a **substantial evolution of partisan (§-1), inter-institutional (§-2) and diplomatic (§-3) power relations at EU level**, which economic actors must best understand in order to effectively promote their interests, on the basis of the main elements described below.

# 1

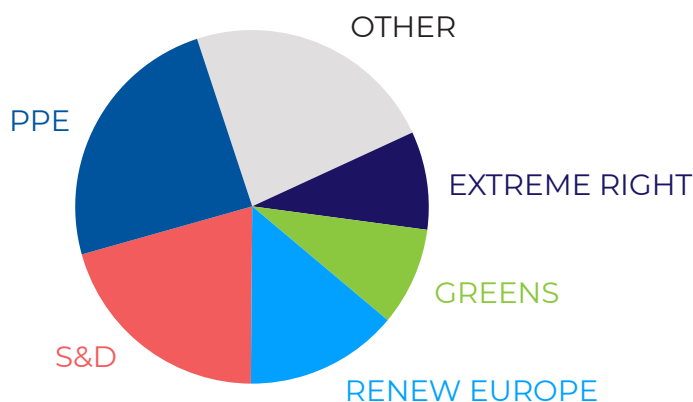
## PARTISAN POWER STRUGGLES PUSHING THE EU TOWARDS THE CENTRE AND TOWARDS UNCERTAINTY

**Ursula Von Der Leyen's inauguration speech<sup>1</sup>, the mission letters she sent to the Commissioners designated by the Member States and her speech ahead of the vote backing her College<sup>2</sup> seem to reflect a **refocusing of the Brussels College's political orientations**, to which economic actors must adapt.**

## 1.1. An institutional rebalancing towards the centre and the left

Although the EPP Conservatives remain the leading political force in the **European Parliament** and the **European Council**, the partisan composition of the three poles of the Community institutional triangle shows a clear shift towards the centre and left with regard to the 2019–2024 cycle:

- the seats are thus distributed in a more balanced way within the new European Parliament: the EPP has 24.3% of the seats (26.6% post-Brexit), the S&D 20.5% (21.2%), Renew 14% (13%), the Greens 9,9% (9,4%), the extreme right 9,7% (10,8%)...



- in autumn 2019, the **European Council** welcomes 10 members of the EPP, 7 members of the PES, 7 members of the liberal–democratic family, 1 eurosceptic (Poland) and two independents (Italy and Lithuania)<sup>3</sup>—this composition will change with the national elections throughout the period 2019–2024;
- more stable, the **European Commission**’s partisan composition will also be more balanced than between 2014 and 2019, with 9 Conservatives (including the President), 9 socio–democrats, 4 Liberals, 1 Eurosceptic (Poland), 3 Independents (France, Hungary and Slovenia) and 1 Green (from Lithuania).

In this context, economic actors must first target the elected representatives and members of the EPP, then the PES, then the liberal–democratic family, but also have an overall **strategy towards the three components of the more or less informal “grand coalition”** whose compromises will shape the EU’s decisions in the coming quarters.

## 1.2 Strong political influence of the Greens and the extreme right

Ursula Von Der Leyen has chosen the “Green Deal” as the first priority for the 2019–2024 legislature, even though the Green parties are in a weak position in the three EU institutions: this calls on economic actors to favour a **more political than institutional interpretation of the new partisan power relations**, and therefore to integrate two other actors into their influence strategies:

- on the one hand, **the “Greens”** who, supported by public opinion, will continue to have a powerful influence on EU policies on climate, environmental, economic, social and perhaps external issues;
- on the other hand, members of **the Eurosceptic right** and the extreme right, who represent more than 20% of the European Parliament, sit in several national governments and have given decisive votes to Ursula Von Der Leyen’s nomination: this political–institutional influence could lead the more mainstream parties to yield to their pressure in the face of migration, trade, security and neighbourhood challenges (enlargement).

## 1.3. More uncertain and therefore more open partisan negotiations

Even if the EPP–ESP duopoly continues to remain at the centre of the game, the outcome of the new partisan power relations at European level now appears much more uncertain.

This new partisan situation is likely to weaken the **EU’s ability to take bold initiatives** and, even worse, take rapid and coherent decisions: it must be understood by economic actors according to whether they have an interest in the status quo or, on the contrary, whether they need a dynamic and entrepreneurial EU.

In this more fluid and open context,  
it is also up to economic actors to  
**adapt finer influence strategies,**  
which can target key supporters  
in relation to the issue at hand and  
according to their **offensive or**  
**defensive interests.**

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# 2

## MORE STRAINED INTER-INSTITUTIONAL POWER RELATIONS

**The difficulties encountered during the hearing of the Commissioners-designate and the postponement of the start of the Von Der Leyen Commission reflect tensions that are not new, but whose intensity will have an impact on the functioning of the EU in the coming months and years. Economic actors must both take the measure of this and support the institution or institutions most favourable to their interests.**

### 2.1. A European Parliament that is more assertive

European parliamentarians were elected on the basis of a **turnout of more than 50%, which strengthens their legitimacy** and their desire to be heard. The hearings of the Commissioners appointed by the Member States resulted in the rejection of three candidates: this is the first time that the European Parliament has been so harsh, and it illustrates its desire to assert itself vis-à-vis the Commission and also the Council, which economic actors will have to take into account throughout the 2019–2024 cycle.

In order to push their advantage but also to highlight their difference, it is very likely that **MEPs will be particularly aggressive on the issues they consider to be in line with the expectations of their voters:** first and foremost environment and climate, but also consumer and data protection, not to mention the promotion of mobility and trade or, in external matters, support for human rights and development aid.

## 2.2. A weaker Commission torn between the Council and the European Parliament?

The profile and surprise choice of Ursula Von Der Leyen, after an unsuccessful first European Council, puts her in a **weaker position than her predecessor Jean-Claude Juncker**, longtime head of government and inducted by her former peers on the basis of the “spitzenkandidaten” procedure promoted by the European Parliament.

It is also noteworthy that the **two new executive vice-presidencies** entrusted to Margaret Vestager and Franz Timmermans were imposed on Ursula Von Der Leyen, on the basis of a compromise reached by the European Council and with explicit reference to the system of “spitzenkandidaten”—this “triumvirate” being completed by Valdis Dombrovskis as 3rd Executive Vice-President, at the new President’s initiative.

**Margrethe Vestager**

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**Frans Timmermans**

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It remains to be confirmed that this **new hierarchical organisation** of the European Commission will enable it to be as proactive and coherent as necessary (while its **partisan composition** is more diverse than the previous one) and whether it will be able to assert itself properly vis-à-vis the European Council and Parliament.

The fact that the “Brussels College” can take its decisions by a simple majority is a useful institutional safeguard to guarantee its ability to decide, but does not guarantee the **political coherence** of its initiatives, nor its ability to have them adopted and applied.

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# 3

## MORE CONFLICTUAL DIPLOMATIC POWER RELATIONS

**In June, the Heads of State and Government adopted a 2019–2024 agenda<sup>4</sup> of a few pages formalizing a global consensus on priority political orientations in a geopolitical context pushing Europeans to unite more (Russia, Trump, China, Brexit, Erdogan,...). This proclaimed desire for unity nevertheless conceals significant tensions between Member States, which will be resolved on the basis of a more or less open struggle for influence, in which economic actors must take part.**

### 3.1. Marked dividing lines in the Council

The 2019–2024 political cycle opens with the fractures that marked the two previous cycles still to be resolved, and can be described in a schematic way:

- “North–South” (or centre–periphery) divisions generated by the “euro zone crisis” on economic, social and budgetary issues, and personalised by the opposition between the “new Hanseatic League”<sup>5</sup> and the “Med 7” summits<sup>6</sup>;
- “East–West” fractures generated by the destabilization of our neighbourhood and the “refugee crisis” in terms of migration, identity and security, which crystallized with the affirmation of the Visegrad Group (Hungary, Poland, Slovakia, Czech Republic).

Another dividing line is undoubtedly emerging between countries which, under the aegis of France, want to promote **profound changes to the EU** (from “Refoundation” to “Renaissance”) and those which accept **a relative *status quo***, of which Germany is undoubtedly a part: if Europeans’ control of their **collective security can constitute a common horizon**, it is not the same for all that concerns fiscal and social convergence, industrial policy, trade policy, etc.



In this context, the risks of tensions and blockages in the Council are all the greater as Member States take many essential decisions unanimously. These risks seem all the more acute as it will be tempting for many **external powers** more or less hostile to the EU (Russia, China, USA, Turkey, soon the UK, etc.) to put pressure on individual Member States to prevent the adoption of ambitious European initiatives.

The further development of a **variable geometry Europe**, based on more intergovernmental mechanisms, could be the outcome of such conflicting pressures –to be anticipated by economic actors.

### 3.2. A heterogeneous influence within the European institutions

The leadership exercised by the European Council and the Council must lead economic actors to adjust their strategy of influence to the evolution of diplomatic power relations at the beginning of the 2019–2024 cycle. This should in particular encourage them to give priority to actions and contacts with:

- **German decision-makers**, who are more influential than ever in the Commission (presidency) and the European Parliament (1<sup>st</sup> national delegation to the EPP and the Greens) and remain essential in the Council, despite the announced end of the Merkel era by 2021;
- Spanish and French decision-makers: **the Spanish** because they are influential in the European Parliament (1<sup>st</sup> national delegation to the S&D group), the Commission (High Representative) and the Council (likely re-election of Pedro Sanchez); **the French** because their President is one of the leaders of the European Council, their Commissioner holds a strategic economic portfolio and their elected representatives can play a pivotal role in the European Parliament (as the 1<sup>st</sup> national delegation to the Renew group).
- nationals of **four other countries** must also be the subject of a specific strategy: **the Dutch**, given their government's desire to assert post-Brexit liberal leadership and Franz Timmermans' presence in the Commission's Vice Presidency on the climate portfolio; to a lesser extent **Italians, Romanians and Poles**, given their important positions in the Commission, the European Parliament and the Council.
- all other EU countries must be monitored and strategically adapted according to the economic interests to be defended and over the course of the rotating Council Presidencies.





**It is by understanding these triple partisan, institutional and diplomatic power relations that economic actors must anticipate and shape the main political orientations likely to prevail at EU level and identify the strategic trade-offs that need to be influenced during the 2019–2024 legislative cycle.**



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<sup>1</sup> See “A Union that strives for more My agenda for Europe”, Ursula Von der Leyen July 2019  
[https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission\\_fr.pdf](https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_fr.pdf)

<sup>2</sup> See her November speech:  
[https://ec.europa.eu/commission/presscorner/detail/en/speech\\_19\\_6408](https://ec.europa.eu/commission/presscorner/detail/en/speech_19_6408)

<sup>3</sup> The partisan balance of power in the Council is more balanced since the Romanian government is led by a liberal (while the Romanian President is a member of the EPP) and the Italian government, whose leader is considered “independent”, is composed of many social democratic (and “5-star”) ministers.

<sup>4</sup> See “A new strategic agenda 2019-2024”, European Council, June 2019:  
<https://www.consilium.europa.eu/media/39916/a-new-strategic-agenda-2019-2024-fr.pdf>

<sup>5</sup> Created in 2018, “Hansa” brings together Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, the Netherlands and Sweden.

<sup>6</sup> Since 2016, the “Med 7” summits bring together Portugal, Spain, France, Italy, Malta, Greece and Cyprus.

**ABOUT AMCHAM**

AmCham represents companies committed to the transatlantic relationship. Founded in 1894 to promote economic exchanges between France and the United States, AmCham gathers today 250 French, American, and European companies of all sizes and from a wide range of economic sectors. As an independent institution, AmCham helps bring new ideas to the public debate, particularly with a view to strengthening France’s attractiveness. In this perspective, AmCham has many working groups that develop recommendations in the form of white papers and policy papers. In addition, as a platform for discussion among high-level officials from both the public and the private sphere, AmCham regularly brings together leading political, business, and intellectuals figures. These meetings provide an opportunity for in-depth debates and exchanges on various economic, social, and geopolitical issues, particularly those related to the evolution of the transatlantic relationship. Lastly, AmCham is devoted to the societal issues that are central to its members’ activities and is therefore committed to several initiatives on the themes of diversity, inclusion and innovation.

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