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It's half-time for the European Commission

After focussing on pandemic management, the EU will have to push forward its policy initiatives. But Europe's electoral calendar may complicate things

The State of the Union address is an important date on Brussels' agenda. Each September, Commission President Ursula von der Leyen reflects on the past year and simultaneously presents the priorities of the coming year. This year's speech was also a kind of a half-time review for the European Commission, whose mandate will last until the next European elections in 2024.

So far, von der Leyen's term in office has been marked by the Covid-19 crisis: Three months after she took office, the pandemic reached Europe. In her speech, the president retrospectively declared that the EU had successfully mastered the crisis – especially in comparison to the rest of the world – with more than 70 per cent of the EU population having been vaccinated. The EU recovery fund, which was adopted in December 2020 after long discussions, is currently being implemented. Von der Leyen's key message was: the EU's measures to overcome the crisis have borne fruit.

This self-assessment is generally correct – after a bumpy start, the EU has successfully dealt with the crisis in a global comparison. The initial chaos was mainly because of insufficient coordination among member states, which preferred to go their own way instead of thinking in a European manner from the outset.

The Commission's agenda

Some of the priorities that were originally on the Commission's agenda had to take a back seat after the Covid-19 crisis broke out. Nevertheless, the Commission was able to complete much of its 'homework' in the past year. With the two laws on digital services and digital markets ('DSA' and 'DMA'), two important legislative projects were introduced to advance the digital transformation. In July 2021, this was followed by the 'Fit for

55' package, which included a Carbon Border Adjustment Mechanism ('CBAM'), to advance the Green Deal.

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First of all, to what extent the implementation of these projects will succeed depends on the political will of EU member states and their willingness to provide the EU with sufficient resources and capacities. The Covid-19 crisis, for example, showed that the EU was very poorly prepared for a pandemic. That is why the Commission intends to create an EU Health Union ('HERA') in the future. However, HERA would have to be endowed with €50bn. In the Green Deal, the interests of the individual member states are particularly far apart – especially in energy policy or regarding the 'Just Transition Fund'. It is also unclear whether the member states that agree in principle to the Green Deal will also support the European Commission sufficiently in its plans to successfully implement the 'Fitfor55' package.

It is also not yet clear whether the EU recovery fund will be continued after the Covid-19 crisis. Although many experts are already talking about it constituting a 'precedent', it will depend on the political will of the member states whether the fund will become a permanent instrument. The question of how the debt will be repaid in the future is also still open – and will entail difficult negotiations.

Secondly, the EU has a strategic problem. In the State of the Union address, numerous policy areas were mentioned: from dealing with the Covid-19 crisis, to economic, digital and climate policy, to Europe's role in the world. But a strategic vision for the future of Europe is missing. The Conference on the Future of Europe, at which European citizens are to be involved in elaborating said vision, was only mentioned in passing.

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Finally, the EU is facing a systemic problem. The European Commission wants to initiate comprehensive transformation processes: The climate crisis demands a radical change in our economic system. The digital transformation is a long-term challenge that will not only affect many areas of European citizens' lives, but will also entail reforms and changes in numerous

adequate.

policy areas: industrial, fiscal, competition, research and trade policies.

Updating EU processes

Considering these monumental tasks, the question is whether the EU's current decision-making processes and instruments are still adequate. For example, the Commission could work more closely with the task force structure that was created for Brexit. Moreover, the confusing distribution of EU Commission posts should be reconsidered. So far, many policy areas are occupied by two commissioners for political reasons, with often unclear responsibilities. Last but not least, the national and European levels should be more closely linked to better balance different interests.

On top of that, the political constellation in the European Council currently makes compromise difficult. Too often, legislative packages are pushed into the future because no agreement can be reached. How difficult it has become in the EU to implement ambitious projects became apparent during the negotiations on the EU budget and the EU recovery fund.

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Europe's electoral calendar will also stand in the way of implementing the Commission's ambitious goals. First of all, there are the German parliamentary elections at the end of September, which will most likely lead to longer coalition talks. This means that Germany – the largest country in Europe – will be preoccupied with itself in the coming months, and that many things will not be decided in the European Council. There remains a small glimmer of hope that German politicians will quickly discover the topic of 'Europe' for themselves after the elections and that some of them will develop guidelines on European policy.

Moreover, the French presidential election will take place in May 2022, which means that by April at the latest, another important European country will be in campaign mode. The outcome remains uncertain, in part because the party landscape is highly fragmented following Macron's historic success in 2017. At worst, France could have a particularly Eurosceptic president at its helm. France's domestic stability would also be at stake in the event of such a result. The window of opportunity at the beginning of 2022, however, could be favourable for the

implementation of European initiatives. The French Council Presidency, which will be somewhat shortened because of the elections, could give the European project a constructive impulse.

Ursula von der Leyen still has about two and a half years until the European elections in 2024 to push forward her European agenda. In view of the election calendar, there will be little time left from mid-2022 to realise many of the different projects. It is therefore particularly important that national governments support the ambitious work programme of the European Commission. It's the only way how the Commission President can live up to the promises she made in the State of the Union address.



Sophie Pornschlegel
Brussels

Sophie Pornschlegel is a senior policy analyst at the European Policy Center in Brussels, where she heads the *Connecting Europe* project. Her focus is on European politics, Franco-German relations and questions on the future of European democracy.

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