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Ursula von der Leyen

EUROPEAN COMMISSION PRESIDENT 2019-24:
POLICY PRIORITIES FOR THE TECH SECTOR

Executive Summary

- Ursula von der Leyen was confirmed as President-Elect of the European Commission for the 2019-24 term by the European Parliament on 16 July 2019.
- With 374 votes in favour needed to confirm her nomination, von der Leyen was approved with 383 votes in favour, 327 votes against, 22 abstentions and 1 vote void.
- Her slim majority reflects broader discontent in the European Parliament over the European Council's decision not to nominate a lead of a political group within the *Spitzenkandidat* system, as well as concern over von der Leyen's track record in German government.
- The vocal opposition of political groups including the Greens/EFA, Identity and Democracy (ID) and GUE/NGL highlight the broader challenge that von der Leyen will have to get her legislative agenda through the European Parliament in the 2019-24 term.
- Von der Leyen has **extensive experience in German domestic politics at both a state and federal level**, having served as Federal Minister of Defence, Federal Minister of Labour and Social Affairs, and Federal Minister for Family Affairs, Senior Citizens, Women and Youth. As a member of the German CDU party, she is a member of the centre-right European People's Party (EPP) political group within the European Parliament and is seen as a close ally of German Chancellor Angela Merkel.
- The publication of her 'Political Guidelines' ahead of the European Parliament's confirmatory vote outlined her key policy initiatives as European Commission President. The high-level policy document indicates a key focus on environmental and social policies.
- Tech and digital policy feature prominently in the 'Guidelines'. Key areas covered range from **Artificial Intelligence (AI) and the envisaged 'Digital Services Act' to digital taxation** underline the importance of tech issues within the next European legislative cycle.
- Von der Leyen has outlined an ambitious timeframe for some of her programme and firms should expect movement on certain issues in the first months of her tenure as European Commission President. A number of policy proposals, including those related to AI, are expected within her first 100 days in office. However it is unclear to what extent her legislative proposals will be supported both within the European Council and the European Parliament.

Introduction

The nomination of Ursula von der Leyen as the European Council’s candidate for the European Commission President for the 2019-24 term followed several weeks of intense political negotiations in which European Union Member States sought to reach a collective agreement on a suitable candidate.

Despite strong calls from the European Parliament for the European Council to nominate a *Spitzenkandidat* (lead candidate) from one of the political groups, European leaders instead selected a compromise candidate from national politics without EU institutional experience.

As a multilingual veteran of German domestic politics, von der Leyen enjoys the backing of German Chancellor Angela Merkel’s Christian Democratic Union (CDU) party in Germany and the support of the European People’s Party (EPP) political group in the European Parliament. Her nomination nevertheless faced considerable opposition within the European Parliament due primarily to concerns over the European Council’s

rejection of the *Spitzenkandidat* process and her performance as German Defence Minister, including the operational capabilities of the German military and ongoing investigations by the German Parliament into contracts with external consultants.

The appointment of a new European Commission President represents a key component of the EU institutional transition following European Elections held in May. The European Commission President enjoys significant international visibility and provides “political guidance” to the Commission. Through selecting the Commissioners nominated by national governments, allocating portfolios and overseeing the work of the Commission, the President guides the political direction of the European Union. Identifying their policy priorities is therefore crucial for firms looking to understand the long-term direction of the incoming Commission and key areas of potential engagement.

Policy priorities

Ahead of the European Parliament’s confirmatory vote, von der Leyen published a ‘**Political Guidelines**’ document outlining her policy priorities as President of the European Commission. The high-level document is focused on six “headline ambitions” for Europe:

1. A European Green Deal
2. An economy that works for people
3. A Europe fit for the digital age
4. Protecting our European way of life
5. A stronger Europe in the world
6. A new push for European democracy

The Guidelines outline high-level commitments to introduce legislative proposals on social, environmental and economic policy, as well as steps to improve areas including inter-institutional relations and the EU’s international role. The Guidelines reflect a broad-based policy programme which include a number of proposals and initiatives—particularly in regard to the environment—which were intended to appeal to centre-left political groups including the Socialists and Democrats (S&D) and Greens/European Free Alliance (EFA) within the European Parliament and facilitate her election as President.

The Guidelines highlight the importance of tech policy within the 2019-24 European legislative term. Key policy proposals including the **Digital Services Act and investment in new technologies** will need to be elaborated in the coming months, providing opportunities for firms to engage with stakeholders within the European institutions.

The ambitious timeframe proposed within the Guidelines, including the introduction of

proposals within the first 100 days of her tenure as European Commission President, indicate that **digital policy may move very quickly under the new Commission**. The complexity of the political landscape within the European Parliament following the May 2019 elections nevertheless indicates that significant challenges will remain in ensuring the passage of key legislation.

Tech-focused proposals

DIGITAL SERVICES ACT

Von der Leyen proposes a new **‘Digital Services Act’ to “upgrade our liability and safety rules”** for platforms, digital services and products. No information on the legislative elements or specifics of this proposal are included in the Guidelines.

ARTIFICIAL INTELLIGENCE (AI)

Legislation on a coordinated European approach on the human and ethical implications of AI will be launched within her first 100 days in office.

SUPPORTING NEW TECHNOLOGIES

Von der Leyen calls for the development of joint standards for 5G networks, as well as technological sovereignty in “critical technology areas”. She would support investment in new technologies including blockchain, “high-performance computing”, algorithms and tools to support data sharing and data usage. She states that the EU should lead the development of new standards which could become the “global norm”. Investments in Artificial Intelligence will also be prioritised.

DISINFORMATION

Von der Leyen states that the EU should develop a **“joint approach and common standards”** in order to address this challenge. Von der Leyen will also propose a “European Democracy Action Plan” which will include legislative proposals to ensure greater transparency on paid political advertising.

DIGITAL TAXATION

Von der Leyen supports the reform of current EU and international corporate tax systems which she states are unfit for the modern global economy and “do not capture the new business models in the digital world”. She commits to ensuring that **digital taxation is a policy priority** and will support movement on current proposals. In line with the European Union’s current stance on digital taxation, she states that **the EU will look to move on its own if no international agreement is found by the end of 2020**.

TAXATION

Von der Leyen supports measures to improve the business taxation environment within the European Union. She supports **Common**

Consolidated Corporate Tax Base (CCCTB) proposals to ensure clarity on tax regulation across the Single Market. She supports the adoption of taxation proposals to be adopted

by co-decision and decided by qualified majority voting (QMV) within the Council of the European Union.

Key proposals for businesses in general

SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

Von der Leyen will propose a **“dedicated SME strategy”** to improve market access and reduce red tape. She will support a new public-private fund to support SME IPOs with matching investment from the EU and private investors.

FAIR MINIMUM WAGE

An action plan to ensure full implementation of the **European Pillar of Social Rights** will be proposed. She will also propose legislation to ensure that European workers have a **“fair minimum wage”** according to national circumstances.

WORK IN THE PLATFORM ECONOMY

Von der Leyen will explore ways to improve labour conditions for workers in the platform economy, particularly through skills and education. She also supports the full implementation of the **EU’s Work-Life Balance Directive**.

EQUALITY AND DIVERSITY

To ensure equality, von der Leyen commits to proposing new anti-discrimination legislation as well as a new **European Gender Strategy to ensure equal pay**. This will also be reinforced through binding pay-transparency requirements to be introduced within the first

100 days in office, as well as further movement on the **‘Women on Boards’ Directive** to support gender balance on corporate boards.

STRENGTHENING EU INTER-INSTITUTIONAL RELATIONS

To strengthen relations between the European Parliament and European Commission, von der Leyen supports **a right of legislative initiative for the Parliament**. She commits to responding with a legislative act when the Parliament adopts a resolution requesting the Commission to submit legislative proposals. She outlines her commitment to ensuring that Commissioners engage frequently with the European Parliament during the legislative process and international negotiations and will support regular debate with the Parliament through the **‘Question Hour’ initiative**. This will allow MEPs to engage directly with the European Commission President (and other Commissioners) on key issues.

BREXIT

Von der Leyen supports an “ambitious and strategic partnership” with the United Kingdom following Brexit. She supports a **further extension past the 31 October 2019 if it is for “good reasons”**.

ENVIRONMENT

A key element of von der Leyen’s Guidelines focus on environmental policy. These outlines

new initiatives including a “**European Green Deal**” to be introduced within 100 days in office, a “**European Climate Law**” with a legal commitment to ensure EU carbon neutrality by 2050, an extension of the **Emissions Trading Scheme (ETS)** to cover new areas

including the maritime and construction sectors, and a “**European Climate Pact**” with pledges from stakeholders. The Guidelines also underline a commitment to increase sustainable finance and investment in environmental technologies.

Biography

Ursula von der Leyen was born in Brussels, Belgium on 8 October 1958. She attended the European School of Brussels from 1964-71.

Von der Leyen studied economics at the Universities of Göttingen and Münster in Germany, with some time spent at the London School of Economics in the United Kingdom. She later studied medicine and graduated from the Hanover Medical School (MHH) in 1987. She was awarded a doctorate in Medicine in 1991. She worked in the MHH Department of Epidemiology, Social Medicine and Health Systems Research from 1998-2002.

Von der Leyen joined the Christian Democratic Union (CDU) party in 1990 and held a number of local political positions in Hanover before being elected to the State Assembly (Landtag) of Lower Saxony in 2003. From March 2003 to November 2005 she served as State Minister for Social Affairs,

Women, Family Affairs and Health. From 2004 she was a member of the CDU’s Presidium (leadership committee).

Von der Leyen was appointed Federal Minister of Family Affairs, Senior Citizens, Women and youth in 2005, and was elected as a member of the German Bundestag in 2009. She was appointed Federal Minister of Labour and Social Affairs in 2009. From December 2013-July 2019, von der Leyen served as Federal Minister of Defense. Von der Leyen was widely tipped as a potential successor to Angela Merkel as German Chancellor.

She is married to Heiko von der Leyen and has seven children. Her father, Ernst Albrecht, was a prominent German politician who worked with the European Economic Community (EEC) and European Commission and served as state premier of Lower Saxony from 1976-90.

Implications for the tech sector

Ursula von der Leyen’s ‘Political Guidelines’ highlight the importance of tech and digital policy in the incoming 2019-24 Commission and identify key policy areas to be addressed over the next legislative cycle. The ‘Guidelines’ were nevertheless intended primarily as a tool to facilitate her election as European Commission President which, although indicative of discussions within the EU

institutions, do not represent a concrete forecast of the European Commission’s proposals. The **publication of the European Commission’s work programme later this year** will help identify which of von der Leyen’s ideas will be translated into more tangible policy proposals.

Political ‘fragmentation’ within the European Parliament following the 2019 elections may **complicate the legislative process** due to the need to balance competing demands, expectations and commitments from political groups. More complex or controversial proposals outlined in the ‘Guidelines’ may face opposition within the European Parliament. Given this more challenging political landscape, it is unclear at this stage which of von der Leyen’s proposals- if successfully introduced as legislation- would become EU law. It is also possible that a number of her **initiatives will face resistance within both the European Council and Council of the European Union.**

More practically, the ‘Political Guidelines’ have been produced before the start of her tenure and will be further shaped by the circumstances of the 2019-25 legislative term. Geopolitical challenges, climate change, and global trade tensions are just some of the potential challenges that may come to define the incoming Commission’s term and require more immediate policy responses. The legislative priorities within the ‘Political Guidelines’ can therefore be expected to evolve considerably over this Commission in response to the changing global landscape.

Key dates

JULY-AUGUST 2019

Ursula von der Leyen will review EU Member States’ nominated Commissioners. Member States will need to submit their nominations by 26 August.

SEPTEMBER 2019

The European Parliament will hold hearings with Commissioners-designate.

OCTOBER 2019

The European Parliament will vote on the new College of Commissioners as a whole during the II Plenary session in Strasbourg.

1 NOVEMBER 2019

The new College of Commissioners, including von der Leyen, is due to assume office.

AUTUMN 2019

The European Commission will present its policy priorities for the 2019-24 legislative cycle.



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