

Powering progress: how the next European Commission will define Europe's future

Changing geopolitics and the internal market

The outcome of the European elections has resulted in a more or less stable majority held by EPP, S&D and Renew. At the same time, the **balance of power in the Parliament has moved to the right**: center-right EPP has come out as the clear winner, right-wing ECR and far-right ID have gained significantly, and the centrist liberal Renew and the Greens incurred painful losses.

With the replacement of a significant number of MEP's and Commissioners, there is **potential for a realignment of priorities**. It remains to be seen how the new (radical) right-wing seats are going to play out in the force field – for example, will Von der Leyen seek additional support from the right? – and in the distribution of important files in Parliament.

The last cycle under the rein of EC president Von der Leyen was marked with **numerous crises**: Covid, war in Ukraine, conflict in the Middle East and an intense energy crisis. **Trade disputes** have been on the rise and tension has increased between autocratic and democratic regions. In addition to tensions in the supply chain, particularly raw material, **AI has brought a 5th industrial revolution** that rapidly changes all aspects of society.

The new Commission will likely focus on **enhancing competitiveness and achieving strategic autonomy**, by strengthening European players and consolidating the Single Market. There is growing concern in the EU about the **functioning of the single market**: businesses find themselves grappling with varying national implementations of European laws and regulations by member states, while governments are struggling with the implementation of numerous new European initiatives.

Reports to the Council by prominent (former) politicians Enrico Letta ([Much more than a market](#)) and [Mario Draghi](#) (advice yet to come), indicate the EU's direction, which emphasizes the need for **deeper integration within the European single market by addressing fragmentation and barriers**. All to ensure that the EU becomes a leader in digital innovation and creator of new technologies and prevent falling behind rising Asian markets and the US. Therefore, a major focus of the new Commission will be on the internal market, with economic security and defense being central themes, highlighting the necessity of a strong European Union amidst global instability.

It is expected that the current **EU Green Deal** initiatives will be pushed through. However, since the Greens are greatly reduced in Parliament and the right bloc has grown, the voice of the industry and agriculture business will have a stronger weight in new regulations under the Green Deal.

Lastly, the Commission will **prioritize industrial policy**, aiming to achieve strategic autonomy in response to global economic nationalism and supply chain challenges. All these directions point to a future where the EU strives for a stronger, more competitive, and more sustainable union.

The mandate of the upcoming Commission - implications for tech & digital



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The EU is increasingly becoming an important factor in the regulatory landscape, especially regarding technology and innovation. In the last years, we've seen the rollout of regulations on privacy, online platforms, and data. And recently, the EU is focusing more on its geopolitical role, for example in relation to key technologies such as AI, data, photonics and semicon.

Over the next years, Brussels will again play a very important role in the tech and digital domain, for at least three reasons:

- 1. Implementation of existing regulations: Over the past years, the EU has introduced a range of new regulations** focused on privacy, online platforms, and data, such as the Digital Services Act (DSA), the Digital Markets Act (DMA), the Data Act, and the AI Act. The primary focus of the new Commission will be on the effective and efficient implementation of these regulations. Many industries are calling for a pause in the introduction of new rules to allow for the thorough implementation of the existing ones. It is crucial for companies to be involved in how the details of these rules play out and to collaborate with regulators.
- 2. New or overhaul of regulation** - The EU is set to strengthen its regulatory influence over technology-driven markets and enhance its geopolitical role concerning technology. This includes addressing dependencies and enhancing resilience in critical tech sectors. The Commission is expected to focus on new or overhauled regulations, such as legislative reviews of the GDPR and consumer protection laws, and on the telecom framework. Privacy issues, intellectual property and data security will also be key areas of focus, particularly in the context of AI and other emerging technologies.
- 3. Launch of new initiatives aimed at addressing Europe's competitiveness gap**, including protection of European businesses against China and, to a lesser extent, the US, and the promotion of the European tech industry. While AI presents economic opportunities, Europe lags in competitiveness, trailing behind the US. We expect the Commission to seek input from businesses to bridge this gap, intervening more in technology, aiming to influence various industries through investment and regulation. Support for digital platforms, high-tech industries, fintech, and healthtech will be a focus, ensuring that European businesses can compete effectively on the global market.

A reset of relations: the Dutch influence in a new EU

With new government the Dutch negotiating position in the EU will change. Following the win of the PVV (Nationalists) in the national elections in November 2023 and the **formation of a right-conservative government**, change on the position of the Netherlands in the EU is expected. Previously an influential partner in Brussels in bridging gaps and making compromises, such as with the Green Deal, the new coalition will place a stronger emphasis on **prioritizing national interests** in their policymaking and strategic decisions.

The new government is **likely to lobby hard for derogations or opt-outs** from agriculture and migration EU-policies, embodying its inward focus on certain policy areas. Although the current Framework Agreement of the new government states that the Netherlands will remain a constructive partner in the EU, the Ministry of Economic Affairs and Climate Policy warns in its first analysis of that Framework Agreement that the desired derogations or opt-outs **may lead to a weakened negotiating position of the Netherlands on other dossiers**.

Uncertainty about gravitas non-elected prime minister Schoof in European Council

Mark Rutte's departure is sure to change the dynamics of Dutch influence in Brussels. With 12+ years' experience in the Council, Rutte was a well-known statesman with a leading role in the EU. Although Dick Schoof has plenty of experience as a senior civil servant in The Hague - and therefore also in Brussels -, he will need to find his way in these political arenas.

As a non-elected government leader, the new Dutch Prime Minister **lacks democratic merit**, and it is uncertain how involved the coalition party leaders - who aren't officially part of the government but expected to be influential as faction leaders in Parliament - will be in the decision-making. These factors might make other heads of state question Schoof's ability to operate autonomously in the Council.

Furthermore, it is **uncertain how the Schoof will operate in Brussels**, being unaffiliated to a political movement. He is not part of a European faction, raising the question where he will join the pre-summits, which are important consultations for the formal EU-summits.

What to do next? Influencing the EU policy cycle

Gain insights into upcoming developments and **connect to the policy agenda** - see your issue in perspective of the most important topics that 'Brussels' is pursuing.

Identify & build relationships with key players: (shadow) rapporteurs, Heads of Units, and influential MEP's. And don't forget Dutch policy makers, especially on ministries, who work on all the details, prepare government positions on new regulations and policy initiatives and negotiate with other member states.

Act on regulations impacting your operation: the phase of detailed implementation is crucial for businesses to engage and influence technical standards and guidelines that could affect operations. Especially since businesses can create a competitive advantage on these technical aspects.

Results of the European Parliamentary elections June '24 *	EP 24	Difference with EP 19
EPP (Christian democrats, center-right)	188	+12
S&D (Socialists & Democrats, center-left)	136	-3
Renew EU (Centrist Liberal)	75	-27
Greens/EFA (Greens)	54	-17
ECR (Right-wing)	83	+14
Identity and Democracy (Far-right)	58	+9
The Left - GEU/NGL (Left)	39	+2
N/I (Non-Inscrits, unaffiliated)	45	-17
Others	54	+42
Total seats	720	751 (-31)

* Date: 14 June 2024

Timeline

