

SNAPSHOT

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Europe's New Leaders?

July 2019: Europe is a step closer to finalising the cast of leaders that will steer the European Union's institutions through the next five-year period. Several of the names agreed this week by the European Council (consisting of EU government leaders) came as a surprise to many but is illustrative of the complexity of finding consensus within an EU of 28 countries. Ultimately, the deal will leave no one completely satisfied, yet in Brussels, that is often the sign of a good compromise.

This is not yet a done deal. Many of the appointments still need to be approved by the European Parliament – expected in a crunch vote on 16 July. Will MEPs stick to their beloved Spitzenkandidaten process? Or, as EU leaders inevitably put pressure on their MEPs to endorse the package, will they buckle under pressure and give a reluctant green light?

The white smoke for the EU's 'top jobs' emerged after a marathon three-day long negotiation between European leaders in the European Council. On Tuesday evening (2 July) the European Council President, Donald Tusk announced the following nominations:

- German Defence Minister **Ursula von der Leyen (EPP, Germany)** as **European Commission President**
- Spanish Foreign Minister **Josep Borrell (S&D, Spain)** as the **High Representative for Foreign Affairs and Security Policy**.

These appointments – assuming the European Parliament endorses the nominations - are scheduled to take effect later this year.

In addition, Belgian Prime Minister **Charles Michel (RE, Belgium)** was elected as European Council President, and Managing Director of the International Monetary Fund, **Christine Lagarde (EPP, France)**, was named as a candidate for **President of the European Central Bank**.

The European Parliament also elected **David-Maria Sassoli (S&D, Italy)** as their new President for the first 2.5 years term after the plenary vote on 3 July.

During three days of negotiations, the European Council tried to broker a deal that would ensure political, geographical and gender balance within the 'top jobs' package. While political and gender balance has been secured, none of the chosen individuals come from the Nordics or Central and Eastern Europe. As a result, higher profile positions within the new European Commission are likely to be given to those countries; Danish Commissioner Margrethe Vestager has already been promised a Vice-President role.

While glass ceilings have been broken with women nominated to head up the Commission and Central Bank for the first time, overall, the appointments point to political continuity with France and Germany once again emerging as key decision makers. The top positions were distributed among the three strongest political groups, with the centre-right political group (EPP) again winning the most wanted political position – the presidency of the European Commission. A key absentee from these nominations are the Greens: the group performed strongly in the European Parliament elections but are not represented by any head of state within the European Council.

The political process to finalise the nominations will continue for the coming months: before the new European Commission can begin its work, the President of the Commission, the High Representative and other members of the Commission will be subject as a body to a vote of consent by the European Parliament, before being formally appointed by the European Council. The term of office will last five years from the end of the current Commission until 31 October 2024. The approval by the European Parliament will not be straight forward, as Ursula von der Leyen is not one of the *Spitzenkandidaten* that European political parties had backed as their chosen candidates. If she is approved, there will be questions as to the future viability of the *Spitzenkandidat* process as well as the political influence of the European Parliament.

Who are they?

European Commission President – Dr. Ursula von der Leyen (EPP, Germany)



Dr Ursula von der Leyen was born in Brussels and spent most of her childhood in the EU capital. Her father was one of Germany’s two European Commissioners at the time. Dr. von der Leyen is fluent in French and English, having studied economics at London’s LSE and medicine in Hannover before entering politics. A physician by training, she has lived in the US and has seven children.

A long-time member of Chancellor Angela Merkel’s CDU party, she initially served as Minister for Family Affairs in 2005. She became Labour Minister in Merkel’s second Cabinet in 2009 before heading up the Defence Ministry. She faced many challenges as Defence Minister: fighting personnel shortages, dealing with archaic structures and planning processes as well as right-wing movements within the German Bundeswehr. Her stewardship was criticised heavily by all sides of the political spectrum.

Known to be liberal and conservative at the same time, Dr. von der Leyen has proven to be a loyal and determined ally of Angela Merkel and Wolfgang Schäuble (President of the German Parliament). She was the only Minister to have served in every cabinet since Merkel took office more than 13 years ago. A close advisor of Chancellor Merkel and trusted by French President Macron, we can expect her to carry the mantle for the Franco-German agenda. Key to her success was the fact that she had the backing of Central and Eastern European countries – countries that objected to Frans Timmermans’ candidacy.

Despite her clear credentials and support from Europe’s political leaders, she still faces a tough task to convince the European Parliament that she is the right person to lead the European Commission.

European Council President – Charles Michel (RE, Belgium)



The incoming President of the European Council is **Charles Michel**, a Belgian politician who served as Prime Minister of Belgium since October 2014, though recently resigned in the aftermath of a domestic political crisis. Michel first became a Minister when he was 25 years old, becoming Prime Minister at 38. The French-speaking liberal (now 43), has quickly risen up the ranks, outgrowing the shadow of his father, the former European Commissioner Louis Michel.

In Belgian politics, Michel made his mark when he agreed five years ago to govern in a coalition with the N-VA, a party that advocates the independence of Dutch-speaking Flanders. At the time, he was mocked for leading a "kamikaze" coalition, that would crash quickly. But Michel managed to lead this team for more than four years, also achieving a raft of economic reforms. Thanks to

his experience in Belgian politics, Michel is considered a skilled negotiator and consensus builder, a key quality for his new job.

Michel has also built a solid European network during his premiership, developing personal relationships with many of Europe's leaders. Along with Luxembourg's Prime Minister Xavier Bettel and Dutch Premier Mark Rutte, he has formed a trio of liberal Benelux leaders giving an image of unity and convergence on major European issues such as Brexit.

French President Emmanuel Macron said at a press conference on Tuesday (2 July), that with Michel at the helm of the European Council he hopes to see closer cooperation on different formats to relaunch the European project. "Michel is a real European, moreover coming from a member country of the euro zone and the Schengen zone," said Macron, referring to the two largest cooperation formats which allow European integration to move at different speeds.

European Parliament President - David-Maria Sassoli (S&D, Italy)



David-Maria Sassoli, 63 years old and an experienced Italian public broadcasting journalist, landed in Brussels in 2009 and was re-elected in 2014 and 2019. In the last legislature, he held the position of Vice-President of the European Parliament. Sassoli is not a widely known figure outside of Italy, but as a former Vice-President of the Parliament, he is appreciated by MEPs of different political groups for his efficient chairing of the plenary sessions in Strasbourg.

Sassoli's appointment partially addresses the irritation of the Socialists for the exclusion of their candidate Frans Timmermans from the position of President of the Commission. His appointment is also consolation to Italy, having lost three important positions: president of the ECB (Mario Draghi), the High Representative for Foreign Policy (Federica Mogherini) and the President of the European

Parliament (Antonio Tajani).

Sassoli has been an outspoken critic of the anti-establishment Italian government that has been in power since June 2018, a coalition of the Five Star Movement and the right-wing League. He has expressed strong criticism against the government's restrictive immigration policy, promoted by Interior Minister Matteo Salvini, leader of the League, and the fractious relationship that the government has pushed with the European institutions due to its expansive fiscal policies.

European Central Bank (ECB) - Christine Lagarde (EPP, France)



Christine Lagarde is a French lawyer and politician. Since 2011 Lagarde has led the International Monetary Fund. She previously held various senior ministerial posts in the French Government: she was Minister of the Economy, Finance and Industry (2007–2011), Minister of Agriculture and Fishing (2007) and Minister of Commerce (2005–2007). Prior to becoming a politician, she worked for almost three decades at Baker & McKenzie, the international law firm. Lagarde is a strong advocate for women’s rights and has often been the first woman to hold her position; a trend she will continue at the ECB.

As President Macron’s pick, Lagarde will bring a more political approach to the ECB, though she does lack experience of monetary policy. Lagarde has been vocal on political issues such as climate change, the trade war between the U.S. and China, and has advocated for central banks to consider issuing digital currencies and changing the tax rules to better capture profits made by digital companies.

During her time leading the IMF, she called for monetary and fiscal stimuli by central banks and governments in order to support the economy. This is a position supported by Europe’s southern economies but is unlikely to rally those countries in the north. She may also find herself between a rock and a hard place when it comes to balancing the interests of France and Germany. A Lagarde-led ECB could maintain her predecessor’s trajectory by continuing to offer easy money and record low-interest rates.

With regards to process, Mario Draghi’s term will officially come to an end on 31 October 2019. By then, the European Council will have to take a formal decision on her appointment based on a Council recommendation, after having consulted the European Parliament and the ECB’s Governing Council. The mandate for the President of the European Central Bank is for eight years non-renewable.

High Representative for Foreign Affairs and Security Policy – Josep Borrell (S&D, Spain)



Josep Borrell Fontelles joined the Spanish socialist party in 1975 and has served as a Member of the Spanish Parliament as well as a Member and then President of the European Parliament. Between 2010 and 2018 he focused on his academic career, before being nominated as Foreign Affairs Minister. Prior to 2010 Borrell served as the Secretary of State for Finance under President Gonzalez and was one of the most high-profile Socialist politicians during the Gonzalez era. Borrell has been an outspoken critic of the Catalan separatist movement.

As Foreign Affairs Minister, Borrell held the usual Spanish diplomatic position towards Russia (rather neutral compared to other EU Member States who have taken a harder line). Borrell has also had several confrontations with the US Administration regarding Cuba, Venezuela and other issues related to Latin America.

Borrell gained a master’s in Energy Economics (French Institute of Petroleum) and in Operational Research (Stanford University). He also holds a PhD from the Complutense University of Madrid in Economics and is a Professor of Business Mathematics.

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