

SNAPSHOT

The latest updates from the team at FTI Consulting *Giving you insight to what is on the political agenda*

The Rise of the Dark Horse: Ursula von der Leyen

July 2019: German Defence Minister Ursula von der Leyen emerged last week as the surprise choice of EU leaders for the next European Commission President. Von der Leyen, who is deemed a life-long high achiever, is now facing an uphill battle to receive the support of the European Parliament. But who is von der Leyen? With many scratching their heads in wonder, how did she become the top pick to head the Berlaymont? FTI Consulting Brussels looks at a political career that has spanned over two decades and led

to a Commission President nomination.

After weeks of negotiations and a three-day gruelling summit, EU leaders finally found agreement on the EU's top jobs for the next institutional cycle. Amongst them was German Defence Minister Ursula von der Leyen who was nominated for the new President of the European Commission. An announcement that many reacted to with wonder.

Barely known outside of Germany, Ursula von der Leyen, the outgoing German Defence Minister, is a compromise name rumoured to have been put forward by French President Emanuel Macron. She is a non-divisive political figure on the EU stage, but her career at home has often been marked by scandal. If approved by the European Parliament, von der Leyen will be the first woman to take on the Commission presidency and the first German to do so in more than fifty years. She is a committed European and an unwavering supporter of a strong Euro-Atlantic relationship. On the international stage, she has always stood for diplomacy and multilateralism.

The decision-making process

Brussels insiders have long predicted that the Spitzenkandidaten process would not deliver the new EU leaders; but amidst all the speculation, neither of the candidates eventually nominated had previously been identified as front-runners. After strong opposition from Central and Eastern European Countries (CEE) for the deal which involved the Socialists and Democrats candidate, Frans Timmermans, as new Commission President, von der Leyen emerged as the only agreeable candidate. Speculation about the way she was appointed is rife. It is believed that the French President suggested von der Leyen because she spearheaded closer Franco-German and EU cooperation on defence and the fact that she can be considered an

"I imagine the Europe of my children or grandchildren not as a loose union of states trapped by national interests." Ursula von der Leyen.

accomplished francophone. She received the support of the Visegrad Group countries, which was key to her nomination. Some believe that she has quietly spent the last few years positioning herself with the countries in the region through holding targets speeches and visiting decision-makers in Europe, especially in Central Europe.

Political reactions

Von der Leyen's appointment to the EU's top job, just like her appointment as Germany's Defence Minister in 2013, came as a surprise to many. It is worth noting, that the announcement was met with the highest amount of scepticism in her own country. A recent poll showed that 56% of Germans do not consider von der Leyen a good choice for Commission President, with 45% of the CDU voters sharing this view. Mistrusted by some of her fellow Christian Democrats and attacked by the opposition, she has not been popular in Berlin after taking on management of the German Defence Ministry, considered in Berlin to be the graveyard for potential challengers of the leader in power.

In addition, reactions from the European Parliament were mixed. While most Members of the European Parliament (MEPs) had little to say about the qualities of Ursula von der Leyen and applauded her wide-ranging experience, they were rather vocal as to the back-door deal which resulted in her nomination. Across all political parties, there was a strong sense of disappointment that the Spitzenkandidaten process was overturned. Von der Leyen will need the support of majority of MEPs to get elected.

Ursula who?

Ursula von der Leyen is a latecomer to politics, only starting out in her early forties, but has managed to build a prominent career in the nearly twenty years since she joined the Christian Democratic Party (CDU). Even before that, she was no stranger to politics, being the daughter of Ernst Albrecht, a former Minister of the State for Lower Saxony and once a head of cabinet for Hans von der Groeben, a German European Commissioner.

Von der Leyen was born and raised in Brussels and is fluent in English and French in addition to her native German. She has a sister and five brothers, one of whom – Hans-Holger Albrecht – is the CEO of Deezer, one of the biggest ondemand audio providers of digital music streaming services. Von der Leyen studied economics in Germany and attended the London School of Economics before switching to medicine.

She began her political career in local government, in the parliament of Lower Saxony. Soon after, she was elevated to the Ministry of Family Affairs in Angela Merkel's first administration. The Chancellor recognised her potential to help her modernise the CDU and two were always considered to have had a very good relationship. Unsurprisingly, von der Leyen continued to be an indispensable part of Merkel's cabinet in her second and third term. She became Labour Minister in 2009 and was appointed Minister of Defence in 2013.

As a mother of seven, the struggle for work-life balance has been a leitmotif in her career. Therefore, as a Labour Minister, she put forward key policies on gender quotas for company boards and improved maternity/paternity pay and rights. These policies initially won her considerable popularity. She pushed for policies favouring modern definitions and notions of family, rather than the thenprevalent German model of women staying at home. This did not sit well with some of her fellow party members, especially the social conservatives within the CDU. However, von der Leyen's term as Minister of Defence has tainted her reputation as a capable and articulate politician amid controversies and scandals involving defence planning failures and a failure to address right-wing tendencies in the German army. She alienated her staff with comments suggesting that the army has an "attitude problem" which put all soldiers under suspicion of harbouring sympathies for far-right ideologies. Her Ministry is also currently investigated by the German Parliament over allegations it awarded contracts to outside consultants inappropriately. The negative press she received, however, comes partially on the back of the difficult task she was assigned. She had to tackle the various legacy problems she inherited from her predecessors and took on the complete overhaul of the German army. After years of cuts, she increased Germany's military spending and expanded the army's international deployment. This brought her a reputation as a reformer but also made her a controversial figure in her own conservative party.

As a long-time close ally to Merkel, von der Leyen was even considered a potential successor of the chancellor but lacked leverage inside the party to gather enough support. Most recently, she was also considered a potential challenger to the current leader of the CDU - Annegret Kramp-Karrenbauer – but with von der Leyen embarking on her journey to Brussels, the current embattled leader of the Christian Democrats will likely be able to solidify her position.

Positioning on topics

As an experienced politician, von der Leyen is no stranger to many of the problems the EU will be facing in the years to come. She has spoken in favour of Germany taking on more responsibility internationally and has called for the "United States of Europe along the lines of federal states like Switzerland, Germany, or the US".

The EU

Von der Leyen is a committed European and believes in a strong and unified European Union which protects and projects its values in a globalised world. More recently, however, amidst the rise of nationalistic tendencies across Europe, she has maintained that: "People first want to see that Europe can successfully deal with problems on the issues of security, the climate, or common trade policies. Only then will there be trust."

She supports Europe's efforts towards an own common defence policy and has spoken of Europe finally making its way towards a European Defence Union in light of the trilateral framework of cooperation to design a nextgeneration fighter jet, which she signed with her Spanish and French colleagues just two weeks ago. She is in favour of a European army.

Brexit

On the issue of the UK leaving the EU, von der Leyen has expressed her regret with UK's decision several times and noted the negative impact of Brexit on security policy. She does not support a second referendum and has warned that the UK should not get special treatment. She has told the German industry to prepare for a no-deal scenario after describing the political climate in the UK post-Brexit as a "burst bubble of hallow promises inflated by populists".

Third-countries

USA: She has been a staunch supporter of EU – US cooperation. She backed President Trump's call for an increase in defence spending and urged all NATO countries to reach the 2% spending target. However, she has criticised the US President for his approach towards Vladimir Putin and has suggested that his relationship with the German Chancellor is based on an outdated view of women.

China: She has been critical of the political system of the Chinese Government and has criticised Europe for paying too little attention to it, despite it "attacking the EU economically".

Russia: She has said that Germany should take a tough stance on Russia, but nevertheless engage in dialogue to improve relations. She opposed military intervention after the 2014 annexation of Crimea.

Industry positions

As a traditional conservative, she is a supporter of a free market and is considered to be very business-friendly. As a minister, she has fought for digitalisation to become a priority, especially of the administration. Digitalisation efforts, both within the public and the private sector, should follow a top-down approach, according to von der Leyen. In recent interviews, she has made clear that the German economy needs to be made fit for the digital age and this must become a priority. However, she does not have a good reputation amongst the digital community in Germany. She earned herself the nickname "Zensursula" after advocating for a law that would allow the police to cooperate with internet service providers to block child pornography. Although the law was repealed, data protection experts feared it could have been used as a stepping stone for online censorship by the government.

Next steps

Von der Leyen will need the support of an absolute majority of MEPs to get approved. The vote will take place during the week of 15 July, but it is still far from clear whether her nomination will go through. MEPs speaking at the first session of the new Parliament in Strasbourg demonstrated their scepticism with regards to the prosses of nomination and the complete disregard of the Spitzenkandidaten system. This means that if a confirmation is to happen, von der Leyen will need to build bridges with a significant number of MEPs.

It is expected that the EPP members will fall loyally behind von der Leyen. The liberal-centrists from Renew Europe are also likely to vote for her, largely in return for the overall top jobs deal which includes the Belgian liberal Charles Michel as European Council President. However, the two groups do not combine to deliver the necessary majority. The support of the centre-left Social Democrats (S&D) and the Greens is less certain. The German social democrats (SPD) are especially unlikely to support her candidacy given that the interim leaders of the party issued a joint statement immediately after the announcement, rejecting her nomination. The objection from the SPD also forced Angela Merkel to abstain the vote on von der Leyen's nomination in the Council.

Should the nomination get rejected in the European Parliament, one might argue that this would push the EU into an institutional crisis with the Parliament and the Council entering a possible stand-off. In such an unprecedented scenario, the Council would need to re-visit its decision.

Von der Leyen has a week to convince the Parliament of her suitably for office. She is facing an uphill battle, but should she be successful, Europe will have its first female figurehead. This will not be the first glass ceiling she has shattered which might be telling about her chances of success. Her nomination might have left many in wonder, but that is usually a good sign.

Authors



Thea Utoft Strategic Communications Brussels Thea.Utoft@fticonsulti ng.com



Jan Hückmann Strategic Communications Brussels Jan.Hueckmann@ftico nsulting.com



Vesela Mincheva Strategic Communications Brussels Vesela.Mincheva@ftic onsulting.com



About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. Connect with us at www.fticonsulting.com or on Twitter (@FTIConsulting), Facebook and LinkedIn. The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc. its management, its subsidiaries, its affiliates, or its other professionals, members of employees.