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Update to Chapter 3: the European Commission

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The members of the current Commission stand out for having a relatively high degree of EU experience (see Table 3.1). Out of the 28 commissioners, six served under the previous Barroso administration (albeit now with different portfolios). We have four former prime ministers who previously were involved in the EU polity through the European Council (which brings together the heads of governments of EU member states; see chapter 4). There are also 12 former ministers, who to a lesser or greater degree attended meetings at the Council of Minsters (which brings together ministers of member states which share the same portfolio; see chapter 5). Another EU institution, the European Parliament is also represented with four former MEPs.
Thanks to intense lobbying by her Prime Minister Matteo Renzi, Federica Mogherini of Italy secured the crucial post of High Representative. This is astonishing given that she has only been the country's Foreign Minister for a mere eight months and thus hardly versed in high level EU deliberations. Apart from Mogherini, a further commissioner – Jonathan Hill of the UK - is also worth a mention for his rather low EU profile. This is in marked contrast to the importance of his portfolio of financial services, which during the ongoing Eurozone crisis is responsible for the supervision of the banking industry.

Far more controversial than the identification of the commissioners, was the appointment of the Commission President. In a departure from previous practices, and based on new rules laid out in the Treaty of Lisbon (2007), the member states now had to take account of the result of elections to the European Parliament (which had taken place in June 2014). This was deemed to be a fairer, more transparent and more democratic procedure than the previous practise, where the EP was largely excluded and heads of governments agreed unanimously on oa candidate. The biggest party grouping in the EP, the European People's Party & European Democrats (EPP) settled for the former Prime Minister of Luxembourg, Jean Claude Juncker as their candidate for Commission President. In a confirmation session, the majority of MEPs backed his candidacy. This was not to the liking of UK Prime Minister David Cameron. Juncker had been Luxembourg's head of government for 18 years which made him a veteran of EU summits. In addition to being prime minister, he was also the country's finance minister and was the chairman of the influential group of Eurozone finance ministers. Given this track record, Cameron therefore justifiably concluded that Juncker had spent a great deal of his professional life on increasing the powers of the EU to the detrimental effect of that of national governments, and thus would be reluctant to embark on a much-needed reform process that would devolve powers back to the member states. Cameron's reasoning was given further boost by the fact that in the EP elections, around one third of the electorate had settled for anti-EU parties, which for Cameron implied that Juncker was 'the wrong man for the job'. But this was a lost battle from the start. The UK prime mnister was reminded by fellow EU heads of government that it is rather contradictory to critisize the EU for a lack of democratic accountability and then to undermine a procedure that was put in place to improve precisely that. On the eve of the 800th anniversary of the Magna Carta of 1215 (which after all established the rule of law), Cameron's political maneuvering was doomed to fail.

Even more controversial was Juncker previous role in establishing Luxembourg as a magnet for multi-national corporations. In the past, the Grand Duchy's main source of income had been based on steel. With the drastically diminished importance of that industry from the 1970s onwards, Juncker, the son of a steel worker, who became finance minister in 1989 and prime minister in 1995, devised a policy of low regulation and low taxes in order to convince big multi nationals to establish their European headquarters in Luxembourg. Over the past years, the likes of Amazon, Ikea, Pepsi, Procter and Gamble, Skype, Disney, Fedex, GlaxoSmithKline, Accenture, Reckitt Benckiser, Pearson, Taylor Wimpey and Burberry all followed his call and channeled EU wide income through their Luxembourg accounts.
To offer a simplified version of the scheme, the Luxembourg headquarters of a multinational such as Amazon, was selling products to its UK branch for instance which then sold it on to its customers. The profits were then channeled back to the Luxembourg headquarters, which meant that the UK branch made next to zero revenue.[1] Profits were then taxed in Luxembourg at a corporation rate which was amongst the lowest in the EU. There was nothing illegal about this scheme and indeed big consultancies specialised in the identification of such tax avoiding measures with countries such as Ireland and the Netherlands also presenting itself as a magnet for international corporations. It was great business for Luxembourg and turned it into the world's richest country with a per capita income in 2013 of 111,000 USD. Although the tax revenue per company was compromised by a low tax rate, for a small country of merely 550,000 people, it only took a relatively small number of multinationals to make a very significant impact on the country's revenues. From a moral perspective though, these low tax havens exploited the principle of the free movement of capital to undermine the revenues of fellow member states (and their welfare systems); an outcome which can hardly be described as being within the spirit of European integration.
Joaquim Almunia, Competition Commissioner under the second Barroso administration (2009 – 14) had launched an investigation into the Amazon dealings to ascertain whether such low tax rates represent in redality an illegal form of state aid. Almunia could not count on the collaboration of the Luxembourg tax authorities and indeed had to take the country to the European Court of Justice, where a decision is still pending. In the wake of the so called 'Luxleaks' following the appointment of Juncker, the finance ministers of Italy, France and Germany were so outraged, that they wrote to the commission demanding urgent measures to crack down on aggressive tax avoidance schemes. These practises had now become so cancerous, that the Single Market and with it taxes and the free movement of capital were in desperate need of reform. However, at EU level it is the responsibility of the European Commission to draft reform proposals which are then approved by the member states and the European Parliament. Hence, Juncker as Commission President was tasked with identifying measures that would curb tax avoiding practises that he had implemented in the first place. Juncker himself acknowledged the growing unease: *' I am not naïve, not a village idiot, and I have to objectively take on board that many people in Europe now have doubts about the honourable side of the new*

[1] According to the UK newspaper 'Observer', in 2013, Amazon UK made 'profits' of only 20 million € out of sales totalling 9.1 billion €; which equals a tax rate of 0.455 per cent.

commission president, I have to live with that.' What is certain though is that the appointment of the Commission President gave plenty of ammunition to an ever growing feeling of euroscepticism, critical of an organisation that might just be beyond reform. It was difficult to imagine a worse start for Juncker and his team.

Table 3.1. The European Commission 2014 – 19

Name	Country	Role and Portfolio	Previous Position
Jean Claude Juncker	Luxembourg	Commission President	PM
Federica Mogherini	Italy	High Representative for Foreign Policy	Foreign Minister
Frans Timmermans *	Netherlands	Regulation and Rule of Law	Finance Minister
Andrus Ansip*	Estonia	Digital Single Market	PM
Valdis Dombrovskis*	Latvia	Euro and Social dialogue	PM
Kristalina Georgieva*	Bulgaria	Budget & Human Resources	Commissioner for humanitarian aid
Jyrki Kataien*	Finland	Jobs, Growth, Investment, Competitiveness	PM
Johannes Hahn	Austria	Enlargement	Commissioner for regional policy
Miguel Arias Cañete	Spain	Climate Action and Energy	MEP
Maroš Šefcovic	Slovakia	Energy	Commissioner for Administration
Phil Hogan	Ireland	Agriculture and Rural Development	Environment Minister
Elzbieta Bienkowska	Poland	Internal Market and Industry	Infrastructure Minister
Corina Creţu	Romania	Regional Policy	MEP
Pierre Moscovici	France	Economic and financial affairs, taxation and customs union	Finance minister
Jonathan Hill	UK	Financial Services	Leader, House of Lords
Cecilia Malmstroem	Sweden	Trade	Commissioner for Home Affairs
Günther Oettinger	Germany	Digital economy	Commissioner for energy
Margrethe Vestager	Denmark	Competition	Economy and interior minister
Dimitris Avramopoulos	Greece	Migration and Home Affairs	Defense Minister
Vytenis Andriukaitis	Lithuania	Health and Food Safety	Minister for Health
Violeta Bulc	Slovenia	Transport	Minister for Development
Vera Jourová	Czech Republic	Justice, consumers and gender equality	Minister for regional development
Neven Mimica	Croatia	International co-operation and development	Commissioner for consumer protection
Carlos Moedas	Portugal	Research, science and innovation	Secretary of state
Tibor Navracsics	Hungary	Education, culture, youth and sport	Foreign minister
Karmenu Vella	Malta	Environment , maritime affairs and fisheries	Tourism minister
Christos Stylianides	Cyprus	Humanitarian aid and crisis management	MEP
Marianne Thyssen	Belgium	Employment, social affairs, skills and labour mobility	MEP

* Commission Vice Presidents
For more detailed info please visit: http://www.europeanvoice.com/article/the-names-in-the-frame/