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An eleven-point mandate for the next European Commission

1. Go local: It's time for the EU to stop talking about decisions being made as close as possible to the citizens they affect, and start to live it. The EU still gets involved in far too many areas unnecessarily.

- **Appoint a new Subsidiarity Commissioner:** This person would be charged with reviewing both new and existing EU laws to ensure they are proportionate, add value, and could not be better handled at the national or local level. Any laws that do not meet these criteria should be scrapped.

2. Embrace transparency: Despite some steps in the right direction, the internal workings of the EU remain far too opaque, with lobby groups and rent-seeking special interests able to exert significant influence over the EU law and policy making process.

- **An "origin test" for new EU laws:** All new EU laws should be clearly labelled according to where they have originated, i.e. which Commission department, and following pressure from which member state or which special interest group. This will make the EU legislative process more accountable and transparent by making it easier to expose lobbying by vested interests.

- **Easier access to EU documents:** A real Freedom of Information provision for all EU documents, ending the current exemptions for crucial documents. Minutes of the College of Commissioners and the Commission's Trade Policy Committee (which decides on issues such as anti-dumping sanctions) should be published.

- **No more funding for think-tanks or pro-integration lobby groups:** Ideally, the Commission should cut off all funding for think tanks and politicised NGOs – in particular those espousing further European integration – as this creates an inbuilt conflict of interest. However, if the practice continues, at the very least, all the groups funded or part-funded by the Commission or other EU institutions should include a clearly visible disclaimer to that effect.

3. Reconnect Europe with voters: The European Parliament election results clearly showed that, without a strong push to strengthen democratic control over the EU, voters will increasingly turn against the entire project.

- **Respect the will of national parliaments:** National parliaments remain the strongest source of democratic legitimacy in Europe. Unlike in the past, the Commission should respect objections raised by national MPs to EU proposals and make a political commitment to treat any "yellow cards" – issued when one third of national parliaments object to a legislative proposal – as a de facto "red card", and drop the proposal.

4. Cut the cost of Brussels: As most national governments, the EU institutions need to become far more cost-effective.

- **Cut perks and pay:** Pay and conditions for EU officials remain very attractive in comparison to many national administrations and much of the private sector. We should start with modest reductions of 5% across the lowest salary bands, 10% across the middle salary bands and a 15% reduction across the upper salary bands. This would lead to a total saving of £310m (€391m) across all the institutions. [1]

- **An "EU Reform Tax":** The 16% expatriation allowance for non-Belgian EU officials should be scrapped altogether – if applied to the staff of European Commission alone, over £230m (€290m) could be saved from the EU budget annually. [2]

- **No more "jobs for life":** It should be easier to fire Commission officials based on performance-based reviews – no more "jobs for life".

- **Scrap unnecessary quangos:** Getting rid of the EU quangos and institutions that serve no unique purpose and duplicate the work of others (such as the Economic and Social Committee, the Committee of the Regions) could save EU taxpayers almost £288m (€364m) every year. [3]

5. End growth-destroying EU spending: A large chunk of the EU budget is at best ineffective and at worst outright harmful when it comes to jobs and growth. Though spending will ultimately be decided by member states and MEPs, in the likely mid-term review of the EU's long-term EU budget, the Commission should propose the following:

- **End the recycling of regional development subsidies and save €156bn:** Scrapping the recycling of regional development subsidies between and around wealthy EU member states could save taxpayers £123.3bn (€155.6bn) over the current (2014-20) EU budget period, while allowing the funds to be better targeted at the genuinely less developed member states. [4]

- **End 'something for nothing' farm subsidies:** Instead of giving money to landowners irrespective of what they do on their land, direct subsidies should be made conditional on the delivery of public environmental benefits such as biodiversity – and be cut substantially. Cutting direct subsidies by 30% would save £70.5bn (€89bn) over the current seven-year EU budget period.

- **Double spending on science and innovation:** One of the few beneficial areas of EU spending is research and development, where the EU benefits from clusters and economies of scale. But currently, less than 10% of the EU budget explicitly goes on research and innovation.[5] The EU should therefore at least double its current spending in this area.

6. Unleash the entrepreneurs: The EU's single market is the only collective tool Europe has that can truly generate growth and jobs. It's time to stop the endless platitudes about "completing" the single market, and get on with practical steps to demolish or circumvent the remaining practical and political barriers.

- **Get on with services liberalisation:** The EU economy could be boosted by €294bn (2.3% of GDP) if the already agreed Services Directive were fully implemented and a new "country of origin" principle were added – if you can trade in one EU country, you can trade in all. The Commission should table an update to the Services Directive to that effect, and if it cannot be agreed by all 28 member states, those who want to pursue further liberalisation should be free to do so under a quirk in EU law that allows a smaller group of countries to press ahead under so-called "enhanced co-operation".

- **Tap into the digital economy:** Boosting cross-border online shopping is not going to happen overnight. However, the Commission should urgently table practical solutions to facilitate this, including the creation of a truly single market in parcel delivery – one of the biggest obstacles to more e-commerce.

- **Help SMEs to access cash:** More effective capital markets and more cross-border investments outside the banking sector, including venture capital and private equity, would help to wean small business off their current reliance on banks, which are still reluctant to lend. The Commission should review its existing rules – around venture capital for example – to create the environment for alternative funding and investment channels.

7. Choose cost-effective energy: High energy prices are an impediment to economic growth, a burden on consumers and place Europe at a competitive disadvantage to its main competitors. The EU's climate change policies do not produce the maximum reduction in CO2 emissions for the considerable resources deployed.

- **Move to non-legally binding renewables targets now:** Given the cost, distortion and unreliable nature of renewables, scrapping the targets now as opposed to waiting until 2020, could save billions and allow member states to pursue more cost-effective forms of carbon reduction.

- **Merge the Climate Change and Energy portfolios:** Instead of two conflicting policies, one on Climate Change justified on environmental grounds and another on Energy where the EU has less legal authority, the two should be joined up under one Commissioner.

8. Stop talking about cutting red tape – just do it: In 1996, a headline in the FT read "Onslaught begins on EU regulation", but since then the overall stock of EU regulation has risen dramatically.[6] Cutting EU red-tape would have both economic and democratic benefits. The Commission should commit to:

- **Regulatory budgets:** As with public spending, the Commission needs to learn how to prioritise. It should commit to a "one in, two out" system, where for every new law it proposes, it would need to find at least two existing laws to scrap.

- **Sunset clauses on all EU laws:** A majority of member states would need to agree to the continuation of the law after a certain time period, otherwise it would lapse.

- **A guillotine mechanism:** Every new EU law being negotiated should come with a set time limit in which to complete the negotiations, after which is should be scrapped for good.

- **Create incentives for cutting laws:** Promotion incentives for EU officials who have been closely involved in repealing EU legislation.

- **A robust 'growth and jobs' test for all new EU laws:** The Commission ought to firmly quantify whether the benefits of a new EU law would outweigh the costs – if not, the proposal should be scrapped. An independent body should police that this is happening whilst working towards radically improve the quality of so-called 'impact assessments'.

9. Embrace globalisation – don't fight it: Globalisation presents Europe with enormous opportunities to export goods and services on one hand, as well as cheaper prices for domestic consumers on the other.

- **More free trade deals:** The Commission must push for the conclusion of ambitious and far-ranging trade deals with both established and emerging markets like the US, India and China. This will require shifting staff and resources around the Commission – currently, only 666 officials work for DG Trade (2%) compared with 1,029 in DG Communication (3.1%) and a whopping 3,813 for EuropeAid (11.5%).[7]

- **Sectoral free trade deals:** Rather than sticking to the 'nothing is agreed until everything is agreed principle', free trade deals could instead be concluded faster and only cover certain sectors of the economy.

- **Lead the charge for global growth and poverty reduction:** The Commission should propose unilaterally reducing or eliminating customs duties and tariffs on goods from less developed economies – the Deep and Comprehensive Free Trade Agreement with Ukraine could set a precedent.

10. Keep Europe moving – but create fairer and clearer rules: Free movement comes with clear benefits but national governments must have the power to safeguard their own welfare systems from abuse.

- **Safeguards against abuse of national welfare systems:** Reform EU free movement rules to ensure that only migrants with a genuine and well-established economic link to the host country are eligible to claim benefits.

11. Ensure a fair and level playing field: Given that the eurozone states will soon wield a majority in the European Council and Council of Ministers, the Commission should be mindful of the need to respect the rights and interests of non-euro countries. If the EU is allowed to become the political extension' of the eurozone, non-euro countries could be left with the undesirable choice of having to join the euro or leave the EU.

- **Non-discrimination principle:** The Commission should include a non-discriminatory principle in all its single market proposals to prevent caucusing and inequity which could lead to the fragmentation of the single market.

[1] Based on the salary numbers and numbers of EU officials across the different salary bands as set out here: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2F%2FEP%2F%2FNONSGML%2BCOMPARL%2BPE-480.777%2B02%2BDOC%2BPDF%2BV0%2F%2FEN

[2] The average EU salary is £67,693 (€78,503) which rises to £78,524 (€91,064) with the expatriate allowance. The Commission employs just over 33,000 and 70% of EU staff are estimated to claim the allowance.

[3] Open Europe calculations based on scrapping nine EU quangos including the Social and Economic Committee, the Committee of the Regions, Institute for Gender Equality, the European Foundation for the Improvement of Living and Working Conditions, the European Agency for Safety and Health at Work, the European Centre for the Development of Vocational Training, the European Union Agency for Fundamental Rights, the European Training Foundation and the Education, Audiovisual and Culture Executive Agency.

[4] Calculations based on removing all structural fund receipts from the EU15 countries and distributing the savings across the EU based on member states' current shares of funding the EU budget. An alternative would be to apply an eligibility threshold of 90% or below the average EU GDP per capita – see here for a detailed discussion: http://www.openeurope.org.uk/Content/Documents/Pdfs/2012EUstructuralfunds.pdf

[5] Over the current 2014-2020 MFF the EU has budgeted €93.8bn on research and innovation programmes (Horizon 2020, Copernicus, Galileo and ITER), or 9.7% of the total.

[6] Open Europe, 'The war on EU red tape: Will this time be any different?', Open Europe blog, 4 October 2013 http://openeuropeblog.blogspot.co.uk/2013/10/the-war-on-eu-red-tape-will-this-time.html

[7] European Commission: 2014 Staff Members Card, http://ec.europa.eu/civil_service/docs/hr_key_figures_en.pdf