

20100225 CER: The new Commission's economic philosophy

Source: CER

- The new team of European commissioners may not be quite as enthusiastic for free markets as the outgoing team, but the broad orientation of the Commission's economic policy is unlikely to change. It will continue to defend the single market, free trade and a tough competition policy.
- However, the economic policies of the Commission and the EU as a whole will inevitably reflect the economic backdrop of slow growth and high unemployment. National governments – and the European Parliament – may therefore push the Commission to be less liberal and more 'social'.
- There is a risk that the Commission will bow to pressure to allow state aid for ailing national champions; to restrict trade with third countries that fail to open their markets; or to impose illconceived regulations on financial firms.
- One key challenge for the Commission is to help prevent Greece or another eurozone member defaulting on its debt. Another will be to draw up a convincing 'EU 2020' programme of economic reform, to replace the 'Lisbon agenda'. A third challenge will be to reconcile pressure from memberstates for more activist industrial policies with a defence of the single market and adherence to an independent competition policy.

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