



Ministry of Foreign Affairs

State of the European Union 2019



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State of the European Union 2019

Letter to the President of the House of Representatives on the State of the European Union 2019



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Introduction

This year, for the first time, the European Union will see one of its member states leave. Much can be said about 'Brexit', but if nothing else, it serves as an important warning: the European Union should not be taken for granted.

The security and prosperity of our country are inextricably linked to stability and prosperity on the European continent as a whole. Given the Netherlands' innovative and open economy, many of our country's jobs and businesses depend on trade in Europe, and on Europe's trade with the rest of the world. Transnational issues such as migration, security and climate change can be solved only by working with our European partners, both within the continent and around the world. It is in the interest of all Dutch people that the EU achieve results in these areas.

For that to happen, a European community of values is indispensable. A partnership as intensive as the EU requires that values like democracy and the rule of law be respected, that agreements be honoured, and that decision-making be transparent and legitimate. Experience in recent years has shown that, unfortunately, this is not self-evident.

The Netherlands therefore has a major interest in a *European Union of values and results*.

This spring, European Parliament elections will be held. Following the election, a new European Commission will take office, presenting its agenda for the next five years. The European Council will try to steer this process by adopting the priorities of its Strategic Agenda in June 2019. The government believes it is vital that the Commission's policy agenda, which will form the basis of its actions and policy proposals for the next five years, and the Strategic Agenda be aligned with its own strategic priorities. In this edition of the State of the European Union the government will explain what it considers the priorities for the coming period should be, and how the EU should go about achieving them. To that end, this document will look forward: what can the Netherlands and Europe expect in the coming period? And what, in this connection, does the Netherlands expect from the EU? But in order to look forward, we must first look back.

In 2014, when the EU member states set their priorities for the period up until 2019, the context that determined their choices was completely different from today. It was a period marked by the end of the financial crisis, and the focus was on healing the wounds the credit crisis had inflicted on society. Five priorities arose from that context:¹ stronger economies with more jobs; societies that can stimulate participation and protect the vulnerable; a secure future in terms of energy and climate; a trusted area of fundamental freedoms; and the Union as a strong global actor. Although these priorities are in large part still relevant today, in the past five years the challenges we face and their level of urgency have changed.

¹ European Council Conclusions, EUCO 79/14, 27 June 2014.

The Netherlands is now confronted with an international arena in which the established international legal order and states' compliance with agreed commitments can no longer be taken on trust. The multilateral world order is under pressure, and the geopolitical balance of power is shifting. Russia, as well as countries such as China and India, are adopting an increasingly assertive stance. The United States has not been shy about seeking confrontation with other players on the world stage – including the EU on some issues – and has even shown a willingness to withdraw from international agreements and institutions. In light of this, the relationship with this essential ally is not as self-evident in all areas as it once was.

Protectionism and the rise of state-led economies, such as China, which are undermining the level playing field in the EU and other markets with opaque state subsidies, are putting the international system of free trade under pressure. It is becoming increasingly clear where the rules of the World Trade Organization (WTO) fall short: the rise of a state-led economy like China's entails challenges that cannot be addressed with traditional market rules. At the same time, the EU's southern and eastern borders remain turbulent, while the EU has a direct interest in a stable 'neighbourhood'. Finally, the withdrawal from the EU by the United Kingdom, an important member state, is also changing the balance of power.

In addition, technological advances such as the rise of artificial intelligence (AI), the growing role of data in society and the battle for technological dominance are all influencing the geopolitical arena and the relationship between government and citizen. Altered geopolitical relations and technological advances affect Dutch and European competitiveness. At the same time, we face the enormous challenge of transitioning to new models when it comes to energy, climate policy, the circular economy, digitalisation and food. This presents opportunities and challenges that require a good investment and business climate, investment in knowledge and innovation, a sustainable energy supply, a strong single market, the development of new technologies (AI, the Internet of Things², robotics), and the right conditions (security, social conditions, infrastructure) to safeguard and strengthen Dutch and European competitiveness. The Netherlands cannot achieve these things on its own, and thus needs the EU.

The EU and the Netherlands will need to take account of how major international players are blurring economic and political interests, and they will have to develop an integrated response. In other areas, too, we must deal with challenges that stem from outside the EU, managing migration flows and the reception of asylum seekers, and addressing the increasingly visible effects of climate change, along with the changes to our energy supply this has necessitated.

2 Devices and machines connected to the internet and each other.

So there have been plenty of worrying developments *outside* the European Union. But there are major issues *within* the Union, too. There are leaders who would rather sow division than build bridges. Shared values – essentially the rule of law, democracy and fundamental rights³ – and the principle of sticking to agreements are increasingly being interpreted differently or are even being openly called into question. Political decision-making in the Council about fundamental rights, such as LGBTI rights,⁴ no longer seems to be a given. The separation of powers and the principle of checks and balances under the rule of law are under severe pressure in a number of countries. The acceptance of both the rights and the responsibilities that come with EU membership can no longer be taken for granted. This is in itself a highly disturbing trend, and one which is damaging member states' trust in each other and each other's legal systems, in the EU institutions, and in EU cooperation generally. Although states are primarily responsible for organising their own system of government, their decisions affect and concern the other member states, including the Netherlands. Without an independent judiciary and properly functioning democracy, there is no guarantee of protection for Dutch and other individuals and businesses in those countries. Damage to these norms and values strikes at the heart of European cooperation. In addition, failure to honour agreements makes the EU as a whole vulnerable. It damages trust, reduces willingness to compromise in negotiations, and undermines the implementation and enforcement of EU legislation in member states.

We are connected to and interwoven with each other. There are no simple solutions to these delicate issues. But it is clear that the EU needs to come up with a response; its legitimacy and credibility are at stake.

For the Netherlands, many of the developments described above are cause for concern. We need the EU in order to promote and protect Dutch interests in the world. First and foremost, in concrete terms, that means ensuring public safety and security. But it also includes combating climate change, transitioning to a low-carbon economy, managing migration flows effectively, achieving strategic economic security and promoting the development of the international legal order. It means maintaining and strengthening the European economy, which provides both prosperity and protection, and bolsters European competitiveness. These are interests that the Netherlands cannot defend on its own; they require a Europe-wide approach. That is why, for the Netherlands, the EU remains a key foundation of peace, security and prosperity.

Cooperation within the EU, moreover, is a value in its own right. It is the glue in relationships between countries that are each, individually, of essential importance. It fosters a community that offers greater certainty and predictability. The Netherlands is opting consciously for EU cooperation as a way to direct its own future. However imperfect the EU can sometimes be, the alternative – no EU – offers no prospects at all. This 70-year-old project of peace and freedom through cooperation and reconciliation is entirely unique, and in many ways successful.

3 Article 2 of the Treaty on European Union.

4 Lesbian, gay, bisexual, transgender and intersex persons.

The Netherlands' interest in Europe and its choice to engage positively with the EU should in no way be equated with a commitment to unconstrained integration. The EU is in the midst of a long-running crisis of trust and authority, and it is important not to dismiss dissenting voices. It is essential that the people maintain their grip on the future.

European cooperation must therefore proceed from the interests of the citizens of Europe, and it must be able to count on their support. At the same time, decisions must be sufficiently robust and able to withstand setbacks. Examples include pursuing a migration policy that can cope with a higher influx of people, and ensuring that member states' economies and budgets are sufficiently strong to deal with an economic downturn. In practice, this means that the EU should concentrate on issues with added value and, in these priority areas, achieve specific results in the public's interest. To that end, decisions must be implemented at the most effective level and in the most efficient manner. This also means that member states and their subnational authorities must, where possible, be given greater scope to manage matters that can better be handled at national or subnational level, without the need for every detail to be laid down in legislation. One example is the deepening of the single market, which in a number of areas, such as the market for services, could be achieved more quickly and effectively through a regional and sector-specific approach rather than (purely) via European horizontal legislation. The government is fully aware of the potential flipside of this approach, i.e. the risk that calls for greater flexibility in national implementation could come at the expense of the uniformity of legislation and its implementation and enforcement at national level, and, as a consequence, of equal treatment of citizens and businesses in the EU. The right balance between European agreements and national interpretation will have to be sought on a case-by-case basis. This will require good consultation between everyone involved, at local, regional, national and European level.

A strong EU consists of strong member states. This demands that every member state sticks to the agreements it has made. Stability and resilience to shocks arise when agreements are firmly implemented and complied with. Besides the potential for unwanted spillover (due to the interwoven nature of the EU's markets and systems) inconsistency in the member states' implementation of legislation damages trust in, and the credibility and legitimacy of, the EU as a whole. The same goes for the fair enforcement and application of EU legislation in all member states.

In recent months the Netherlands Institute for Social Research (SCP)⁵ and the Verwey-Jonker Institute⁶ conducted public consultations on the future of the EU. These revealed that a majority of the Dutch population recognises the unbreakable bond between the Netherlands and the EU. With due regard for the diversity of opinion that exists, it can nevertheless be concluded that there is clear support for Dutch membership of the EU. At the same time, there is also an expectation that the EU improve its performance. The Dutch consultations clearly indicate that the EU should concentrate on broad, cross-border issues, such as migration (irregular and otherwise), climate policy and

5 Netherlands Institute for Social Research (SCP), 'Wat willen Nederlanders van de Europese Unie? Een verkenning met enquêtes, virtuele dialogen en focusgroepen' (What do the Dutch want from the European Union? An exploration using surveys, virtual dialogues and focus groups), 5 November 2018.

6 Verwey-Jonker Institute, 'Burgerraadpleging over Europa; wat vinden Nederlandse burgers van de toekomst van Europa?' (Public consultation on Europe: what do the Dutch people think of the future of Europe?), October 2018.

international crime. Underlying these findings is the public's need, where the EU is concerned, for fairness (for example a fair distribution of asylum reception and of the cost of climate-change measures), safety, peace of mind and security (for example combating transnational crime), and the protection of European values. The consultations also showed that there are definitely a number of matters the EU should not concern itself with. People are sceptical, for instance, about intervention in the national welfare state and pension system. There is also a strong sense of running up against the limits of absorption capacity, from the perspective of both the public and the EU institutions. The Union first needs to get its affairs in order before there can be any talk of enlargement. The public also wants to see the EU run in a cost-effective manner. Finally, the consultations revealed concerns about identity, both in terms of globalisation's impact on local and/or national identity (which translates, in part, into anti-EU sentiment) and in terms of preserving the European community of values (which are expressed in doubts about what European cooperation and solidarity actually mean). This can be seen in the debates on asylum reception and respect for the rule of law. In addition, there is a large group of EU citizens who, even though the economy has picked up, are uncertain about their future. Although member states themselves bear primary responsibility for pursuing effective social policy and organising the labour market, these concerns show that the social dimension nevertheless remains a crucial theme when it comes to the future of the EU and preserving support for the project. This ties in with the government's current efforts, in which the principles of the European Pillar of Social Rights are a guiding thread.

After analysing the challenges at play, the public's expectations and concerns, and the framework within which EU cooperation must take place, the government has identified five central themes which it believes, partly in view of the Netherlands' interests, should be given priority in the EU: migration, security, a strong and sustainable economy that offers protection, climate policy, and protecting values and interests abroad. To enhance our effectiveness, these efforts will target a select number of priorities, which will also touch on other policy areas. This strategy will then shift from a 'what?' to a 'how?' approach: how should the EU function in order to achieve these goals, and how should the Netherlands position itself within the EU in order to make it happen?

Of course, this strategy is not the brainchild of the government alone. The Scientific Council for Government Policy (WRR)⁷ has produced recommendations on 'Variation in the European Union'. The Advisory Council on International Affairs (AIV)⁸ has issued an advisory report on 'Forming Coalitions in the EU after Brexit'. Both reports were important sources in helping the government to arrive at its approach.

7 Kamerstuk 21 501-20, nr. 1414, vergaderjaar 2018-2019

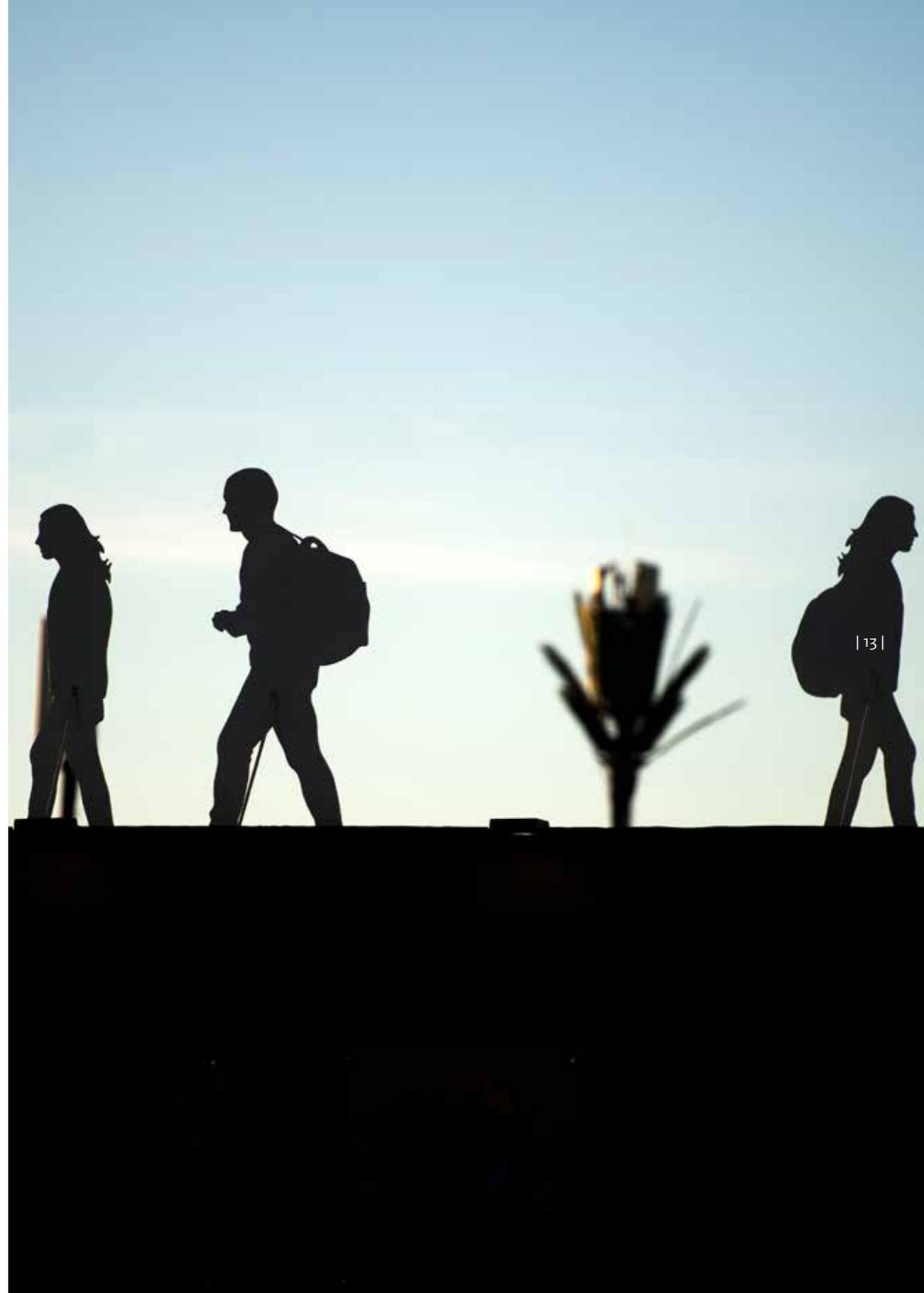
8 Kamerstuk 21 501-20, nr. 1413, vergaderjaar 2018-2019

The EU's priorities must also be reflected in its resources. Negotiations on the Multiannual Financial Framework (MFF) for 2021-2027 are expected to be a defining feature of 2019.⁹ The MFF sets out the spending parameters for the EU budget, and as a result, it will play a big role in determining the EU's focus areas in the years ahead. The programmes and instruments will be revamped in practically every area of EU policy. The Dutch government is pressing for a thoroughly modernised and financially sustainable MFF, with a fair distribution of costs and benefits.¹⁰ This framework must enable the EU to tackle the common issues we face in an appropriate and timely fashion. The various challenges relating to migration, security, climate change, research and innovation require the EU to critically examine how to deploy its limited resources effectively and efficiently. This calls for both strategic choices and cutbacks. The government will also work to ensure that Brexit does not result in a disproportionately high bill for other member states or a rise in contributions.

In sum, peace and freedom through cooperation is a fine ideal. The reality, however, can be challenging. The Netherlands wants a modern, effective and robust European Union, a Union of results and values. A future-proof Union that renders account. A Union that both gives and takes responsibility. The European Union is not a given; that much is now clear. It is a project that requires maintenance and engagement by strong member states.

⁹ The European Council (EUCO 17/18, 14 December 2018) has called on the incoming Romanian Presidency to work towards a European Council agreement in the autumn of 2019. The government's assessment of such an agreement will be guided by the substance of the text.

¹⁰ Parliamentary Paper 21 501-20, no. 1349, 2017-2018.



The Dutch public sees immigration as one of the EU's key priorities. The Union should ensure a fair distribution of refugees and help solve the root causes of migration in other countries.¹¹ In order to manage migration flows to and within the EU effectively and humanely, a decisive EU migration policy is needed. Sound international and European agreements should ensure greater unity in the EU, making it possible to reap the benefits of a properly functioning Schengen system and improving relations with surrounding countries.

Irregular migration will remain one of the biggest challenges facing the EU in the years ahead. Although the flow of refugees and irregular migrants has declined since the crisis of 2015 and 2016, the pressure of migration from and via surrounding countries will remain high. One pull factor is the ability of migrants to remain in Europe for years even if they have no legal status or right to protection. As long as irregular migrants and failed asylum seekers are able to support themselves via the informal economy in large swathes of the EU, or can submit asylum applications in successive member states without any real prospect of being returned, such people will always be tempted to undertake the hazardous crossing to Europe. At the same time, efforts at EU level to agree on a workable European approach to asylum and irregular migration have not been sufficiently effective. The next few years will be essential when it comes to reaching such agreements.

The government is pressing at EU level for a comprehensive approach, as set out in its government-wide migration agenda.¹² The EU can tackle the migration issue effectively only if all the factors that contribute to the unregulated flow of migrants and refugees are addressed. The guiding principle for EU policy in the longer term is to prevent irregular migration by tackling root causes, combating human trafficking and people smuggling, fostering reception in the region, strengthening the border and improving cooperation on return between European and African countries. Refugees should ideally be given reception and protection in the region, where they will need better support and better prospects for the future. Improving protection and reception in the region will reduce the need for migration to Europe, so it is essential to work on improving the prospects in the region of migrants, internally displaced people and refugees. To this end, safe countries in the region will be encouraged to do more to offer refugees safe shelter in the best conditions possible.

At the same time, illegal residence should be combated more emphatically through effective policy on returning irregular migrants, including failed asylum seekers. This is a necessary condition for a credible and sustainable migration policy, and requires more effort from the EU on all fronts.

¹¹ SCP, 5 November 2019; Verwey-Jonker Institute, October 2018.

¹² Parliamentary Paper 19 637 and 30 573, no. 2375, 2017-2018.



A decisive European approach to migration through managing and controlling irregular migration

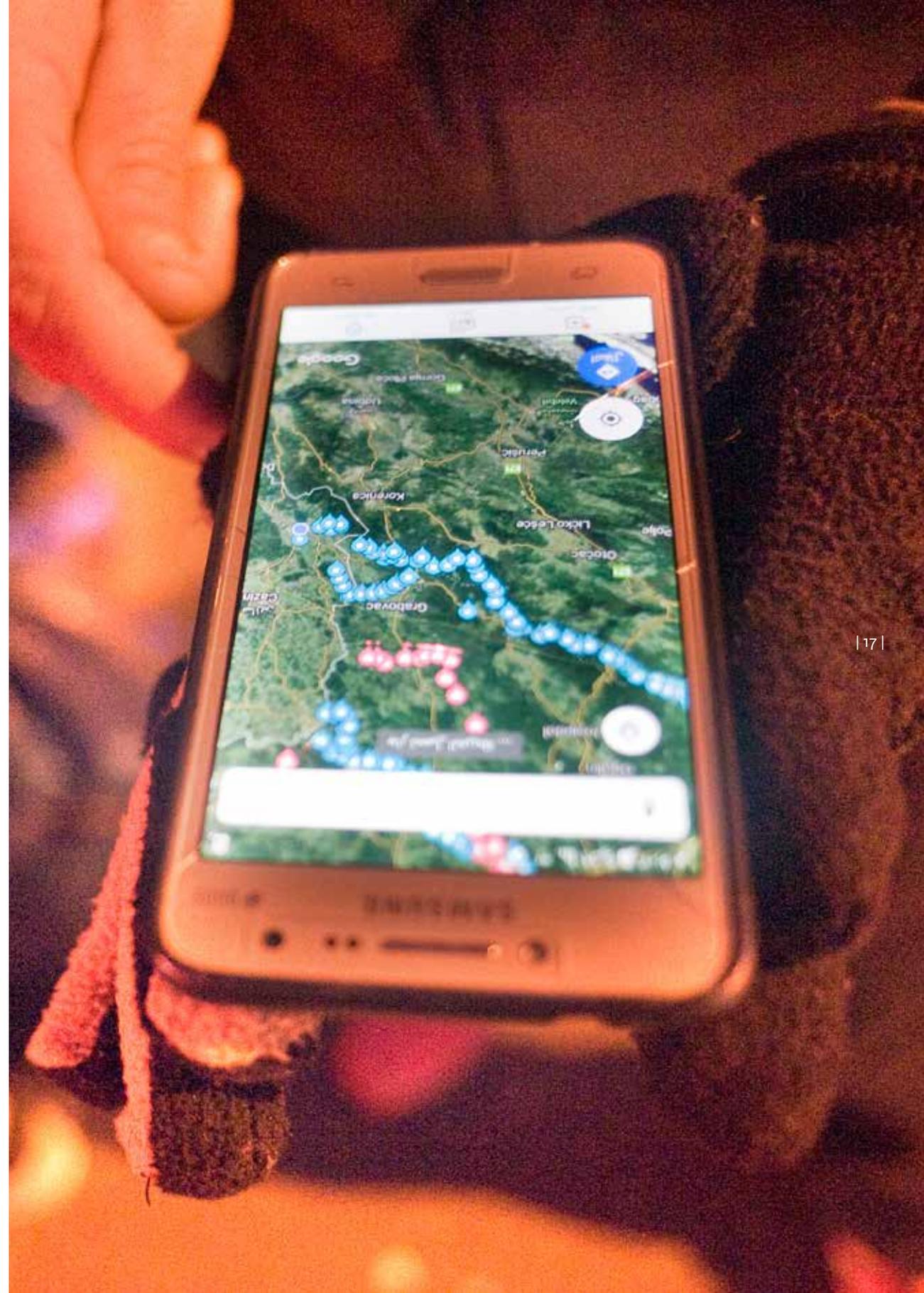
For the most part, there are already structures in place for migration in the EU. Implementation, however, is far from perfect and needs improvement. Member states also have clear arrangements for regular migration, which encompasses knowledge workers, labour migration by EU citizens and family reunification. The government is prepared to explore other forms of legal (circular) migration, provided this serves broad cooperation agreements that help reduce irregular migration and foster return and readmission.

To achieve this migration agenda, agreements need to be made above all with African countries of origin and transit. The EU needs to find a way of reaching and enforcing those agreements, including when it comes to the return and readmission of migrants residing illegally in the EU. This calls for broad, more equal partnerships between Europe and Africa, which benefit both parties. This will require the effective, integrated deployment of instruments such as development cooperation, trade and visa policy.

In order to gain control of migration flows within its borders, the EU urgently needs to revise the common European asylum system. The goal is a predictable, dependable, crisis-proof system that ensures fairer burden-sharing. This means that, where possible, a quick and clear distinction should be made at the external border between refugees and other migrants, that secondary migration should be prevented effectively, and that substantially more migrants must be returned to their country of origin. It also means that countries in a crisis situation, i.e. those facing a disproportionate influx that shows no sign of abating, should be able to count on EU-wide solidarity in the form of compulsory relocation to all EU member states.

The European agencies Frontex and the European Asylum Support Office (EASO) will need to grow their capacity over the next five years. They can support member states with improved border control and more harmonised and effective asylum and return procedures (both at the border and elsewhere).

Short-stay visa policy is being used more and more as an instrument of foreign policy, including as an incentive for reforms in the Western Balkan countries, Turkey and EU partner countries in areas such as document security, asylum and border policy, public order, security and fundamental rights. In the next five years the 'strict and fair' policy will be maintained with regard to those countries: strict in the sense of requiring permanent compliance with all applicable conditions, including cooperation on return and limiting the risk of illegal immigration and asylum, and fair in the sense of member states agreeing to visa facilitation or visa liberalisation if the Commission and the Council decide that a country has complied with the agreed conditions. In the case of other third countries, too, visa facilitation agreements can in some cases form part of migration dialogues. Nevertheless, efforts must be made at EU level to impose visa restrictions when progress is lacking, especially when countries fail to cooperate on return. Working on a case-by-case basis, the EU should explore what approach is most suitable and effective, what conditions should be set and what impact this approach has on illegal immigration and/or asylum and the EU's broader external relations.



3

A forward-looking agenda for a secure Europe

The terrorist threat in Europe remains substantial. Another key development in the area of security is increasing digitalisation. The internet and new technologies present opportunities, but carry risks as well. Today's more far-reaching digital technologies make it easier for criminals and other actors to operate across borders. Partly because of these developments, EU cooperation on internal security has become increasingly important in recent years. Open borders and borderless cyberspace mean that threats can only be tackled effectively with cross-border cooperation or harmonised rules in the EU member states. Given these trends, the importance of cooperation in the area of justice and home affairs (JHA) remains clear in the view of the Netherlands: transnational security problems demand a common EU approach that respects the national competences applicable to national security. In this context too, it is a cause for concern that mutual trust in each other's legal systems – which to a large extent is the cornerstone of EU cooperation – is under pressure.

In addition, the compatibility of security and fundamental freedoms, especially but not exclusively in the area of data protection, is a key element of the European debate. The purpose of JHA cooperation is to safeguard the area of freedom, security and justice to the benefit of citizens and businesses. In doing so, it also supports the further development of those freedoms.

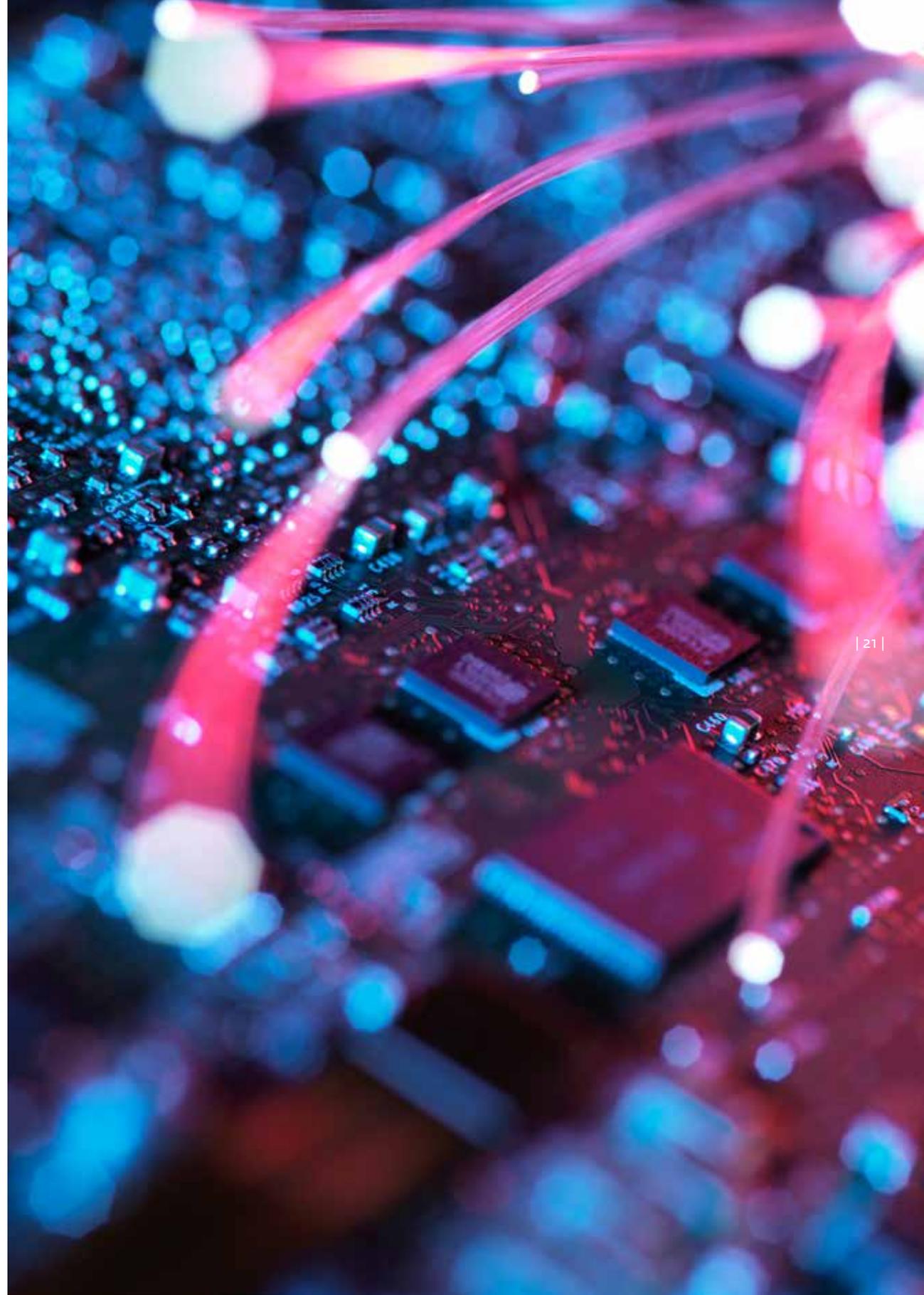
The Netherlands considers developing a future-proof approach to crime an important challenge at EU level. Tackling organised crime, which undermines society, warrants as much attention as ever. Human trafficking, child abuse, illegal arms trading, money laundering, and drug trafficking and production are common forms of transnational crime, which do not only affect the Netherlands. The EU's Internal Security Strategy for 2015 to 2020 is currently the policy guiding how this issue is tackled at EU level. For the next period, the government will work with other member states, the Commission and other stakeholders to develop a new strategic orientation on internal security, based on risk and threat analyses and practical needs. The EU has many officials and bodies working at different levels (Commissioners, Council Working Groups, agencies) to manage and monitor agreements in the area of internal security. In the government's view, the arrival of a new Commission in 2019 will generate crucial momentum for promoting a more consistent approach to internal security.

In the field of counterterrorism the government is working to strengthen the exchange of necessary information at EU level in accordance with the Roadmap to enhance Information Exchange and Information Management, and to support the EU in strengthening efforts to combat radicalisation in the member states. In addition, it is the government's ambition to restrict access to resources that can be used for conducting terrorist attacks. This can be done, for example, by tackling terrorist content online and tightening up the Regulation on the Marketing and Use of Explosives Precursors. The government is also pressing for firmer and more consistent implementation of legislation on firearms, including better information exchange and cooperation. As regards combating terrorism financing, the Netherlands is calling for EU law enforcement agencies to be granted direct access to each other's financial data collections.

A central focus in the next few years will be the implementation of the regulations on interoperability between EU information systems relating to migration, border management and security. This will help improve management of the Schengen area's external border, which in turn will strengthen the European Union's internal security. Relevant measures include the creation of a European search portal and the development of new and existing support systems.¹³ The Netherlands is working to ensure speedy decision-making and full implementation and enforcement of EU legislation to enhance information sharing. It is also promoting the development and modernisation of the Prüm Decisions, which are aimed at making information exchange more efficient. There is also a major practical need for new, cross-border investigative resources that enable quick access to relevant information that is stored online. For this reason the Commission has proposed a regulation and a directive concerning e-evidence. The Netherlands is known to be critical of these proposals because the proposed rules are imbalanced, and we will continue to press for improvements. The government does however support improved accessibility of electronic evidence, with due regard for safeguards concerning data exchange and fundamental rights.

Efforts to enhance security within the EU must go hand in hand with improving judicial cooperation and removing cross-border obstacles to existing national safeguards and legal practices. For this reason, the Netherlands is pressing for broad directives rather than regulations. The Netherlands endorses the importance of mutual recognition, and in the years ahead it will continue promoting the application of this principle, but here, too, improvement is needed. The Netherlands will also work at EU level towards further digitalisation in the justice sector, especially in the context of the e-Justice programme, for which a new strategy and action plan has been drawn up for the 2019 to 2023 period. This will simplify and speed up the exchange of electronic evidence in cybercrime cases. Furthermore, the Netherlands endorses the European Commission's planned development of an EU framework on artificial intelligence. This framework of standards should also address questions that have been raised about the transparency of algorithms, accountability, liability and data protection.

¹³ E.g. the Schengen Information System, Eurodac, the Visa Information System, the Entry/Exit System, the European Travel Information and Authorisation System and the European Criminal Records Information System.



The implementation, consolidation and further development of the EU cybersecurity package, which the Commission published in September 2017, is an important guiding principle for the Netherlands.¹⁴ We will work to improve international information exchange, for example through the EU's Computer Security Incident Response Team (CSIRT) Network. In accordance with the creation of a nationwide cybersecurity system as envisaged in the Dutch Cybersecurity Agenda, the Netherlands is promoting the European network of cybersecurity organisations. Lastly, it is also actively promulgating the Coordinated Vulnerability Disclosure policy, which encourages people to proactively report organisations' and producers' digital vulnerabilities. A number of member states have followed the Netherlands' lead and adopted this policy.

The government is pressing for closer EU cooperation on the prevention and early identification of, and appropriate action against, undesirable foreign interference and hybrid threats. The same goes for economic security. The various issues that play a role here, such as undesirable foreign interference, protecting vital infrastructure, crisis management, open economies, globalisation of production chains and the importance of a level playing field, require an integrated approach. The government therefore supports the grouping of different activities and domains within the EU where this topic is concerned. In this connection, greater information sharing and cooperation within the EU and member states is essential. The Netherlands is also supporting the development of parameters for attributing cyberattacks to state actors, and the further development of the tools available for responding to such attacks.

Free and fair elections in the Netherlands and at European level are crucial, not least with the European Parliament elections taking place from 23 to 26 May 2019. The government believes it is therefore important to collaborate at EU level on strengthening the resilience of the Union's democratic systems, without impinging on national competences in the area of elections. Disinformation by state (or state-affiliated) actors can undermine trust in the political system and compromise free and fair elections. The Netherlands will urge the EU to implement the European Action Plan Against Disinformation.¹⁵ The priorities of this approach are fundamental rights and the values of the rule of law: freedom of expression, freedom of the press and promoting transparency.

¹⁴ European Commission, Joint Communication to the European Parliament and the Council: Resilience, Deterrence and Defence: Building strong cybersecurity for the EU JOIN/2017/0450 final, 13 September 2017.

¹⁵ Letter to the House of Representatives on disinformation and election influence, Parliamentary Paper 30 821, no. 51, 2018-2019; Letter to the House of Representatives on undesirable foreign interference, Parliamentary Paper 30 821, no. 42, 2017-2018; BNC file on the Communication 'Tackling Online Disinformation: a European Approach', Parliamentary Paper 22 112, no. 2608, 2017-2018; BNC file on the free and fair elections package, Parliamentary Paper 22 112, no. 2708, 2018-2019; Letter to the House of Representatives on the progress of the amended motion by MPs Peter Kuint and Dilan Yesilgöz-Zegerius on the closure of the website EUvsDisinfo.eu, 2018-2019, Parliamentary paper 21 501-34, no. 303, and Parliamentary Paper 34 970, no. B.

External and internal security have become more and more interwoven, and this trend is only expected to increase in the years ahead. As far the Netherlands is concerned, strengthening the Common Security and Defence Policy (CSDP) will remain high on the agenda in 2019 and subsequent years. The government supports even closer cooperation on the CSDP in relation to ongoing initiatives. Given the deterioration in the security situation in the regions surrounding Europe and the geopolitical context, Europe in the future will have to contribute more towards its own security. In the government's view, it is primarily up to the EU member states to determine the direction and speed of policy development in the area of EU defence cooperation. The government wants an EU that facilitates an output-driven, results-based approach by the member states. It is essential that the Council steers the process politically to safeguard the intergovernmental character of defence cooperation. The Netherlands also favours close cooperation that pays explicit attention to strategic partners outside the EU. When it comes to European defence cooperation, the government continues to attach importance to both bilateral and multilateral formats, including the Joint Expeditionary Force, the Northern Group and the European Intervention Initiative. Lastly, the government will push for the better use and development of the comparative advantages of the EU and NATO, and for defence cooperation that benefits both organisations. Good EU-NATO cooperation remains essential, and capabilities developed at EU level should be deployable at NATO level and vice versa. The government believes it is important for the Netherlands to play an active role in shaping the CSDP further, and to that end will continue sharing ideas and seeking out coalitions. Furthermore, where civil and military missions are concerned it is crucial to make better use of the instruments of the EU's broad foreign policy, taking an integrated approach, and to tackle instability, conflicts and crises in third countries in a coherent manner.

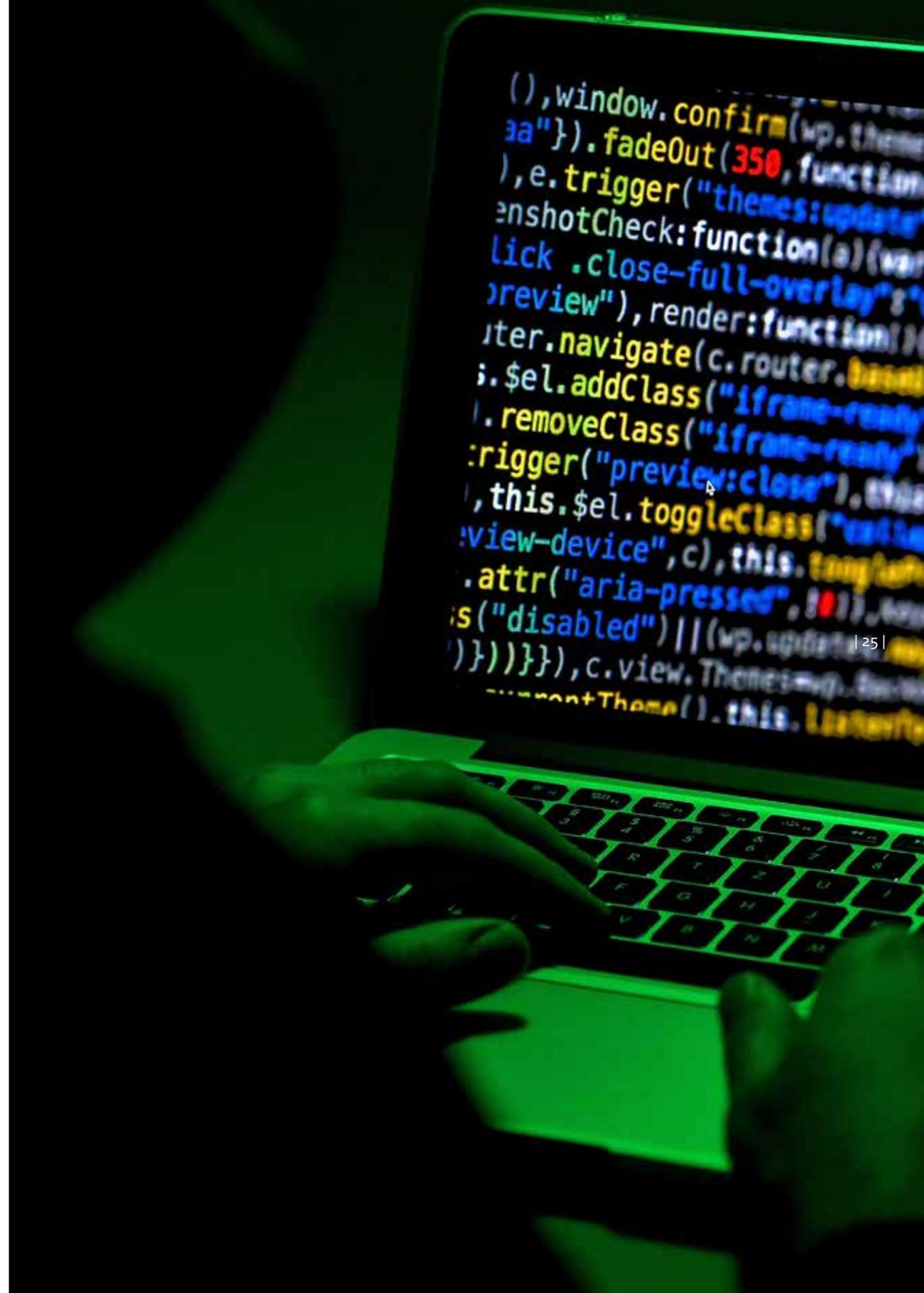
Europe is inefficient when it comes to generating defence capabilities. In this connection the EU needs to strengthen its technological and industrial base, generate credible defence capabilities and enhance those capabilities' readiness and deployability. Such investment will increase Europe's stake in NATO, which remains the cornerstone of Dutch security policy. As regards stepping up cooperation on the CSDP, the government would therefore like to see more coordinated planning in the area of capacity development, more joint research, joint capacity development and a more level playing field in the defence industry, more interoperability between Europe's armed forces and swifter military mobility across Europe.

In recent years, various initiatives to this end have already been developed by the member states, the High Representative for Foreign Affairs and Security Policy and the European Commission. Thirty-four projects have now been launched as part of Permanent Structured Cooperation (PESCO), the framework within which EU countries can engage in closer cooperation on security and defence. The Netherlands is participating in nine projects. In 2019, Dutch efforts will be aimed at successfully implementing those projects, and our primary focus will be on the military mobility project, which the Netherlands is leading. EU member states and NATO Allies have committed to developing national plans by the end of 2019 on military mobility, granting permission for cross-border military transportation within five working days and including military mobility more often in suitable existing and multinational exercises.

Additionally, in 2018 the member states adopted a Council position on the proposed regulation on the European Defence Fund (EDF). The fund encourages member states to work together more closely in the area of research and development of defence capabilities, and could play a major role in strengthening interoperability between the various European armed forces. In 2019 negotiations on the regulation will be held with the European Parliament. Also in 2019 the first projects are expected to be financed by the European Defence Industrial Development Programme (EDIDP), the forerunner of the EDF under the current Multiannual Financial Framework. Dutch efforts in this area in the coming years will focus, where possible, on making Dutch projects and programmes eligible for funding under the EDIDP/EDF. The Netherlands will also continue to uphold the interests of small and medium-sized enterprises in being able to benefit from EDF projects and cross-border access.

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Where the civilian element of the CSDP is concerned, another important step was taken in 2018 with the adoption of a Civilian CSDP Compact, aimed at enhancing the EU's preventive and stabilising role. Under the Compact, the member states and other actors, such as the EU institutions and agencies, commit to contributing to the Civilian CSDP and making it a reality and, in the process, bolstering the EU's internal and external security. In 2019 the first concrete steps will be taken to put the Compact into practice. In this first phase, the Netherlands will focus mainly on the deployment of flexible, specialised teams of civilian experts, as well as members of the Royal Military and Border Police on short missions.





A strong and sustainable European economy that offers protection

The EU's primary role lies in promoting sustainable economic growth, strengthening competitiveness, and creating jobs and prosperity. Dutch businesses face competition from other economic powers, and a stable multilateral trading system can no longer be taken for granted. Moreover, the world is witnessing a number of fundamental transitions stemming from technological and digital advances, the shift to a sustainable and climate-neutral economy, and the increasingly interwoven nature of global value chains. Globalisation, robotisation, climate policy and technological advances are also leading to a reorganisation of the factors of production. This is giving rise not only to opportunities and challenges as regards Dutch and European competitiveness, but also to changes in social structures and production processes, and to new forms of labour, with the attendant risk of inadequate protection for workers.

These developments transcend national borders and demand a European response. The EU will have to bolster its position by turning challenges into opportunities, and by safeguarding strategic economic interests and security without lapsing into protectionism. More than ever, the EU will have to differentiate itself through its strengths in areas such as technology, innovation, digitalisation, the market power of five hundred million consumers, and the climate and energy transition, while upholding the values and importance of the multilateral economic order. A properly functioning single market with free movement of goods, services, capital and persons is the EU's principal instrument for creating prosperity and jobs. Not only does it provide opportunities for businesses and consumers, it also underpins Dutch and EU competitiveness in the global marketplace. The single market's benefits of scale can also help establish the circular economy. It is important, in this connection, that everyone can benefit from the advantages of the single market, which means that attention must be paid to the EU's social dimension. The government is therefore working to promote a deep, sustainable and fair single market. Sound fiscal policy and a sustainable financial sector are the mainstays of a strong and sustainable economy, and this is at the heart of the government's efforts at EU level.

A new approach to strengthen the single market and European digital policy

The EU has already achieved a great deal in terms of the single market for goods and services. EU legislation, such as the Services Directive, safeguards the free movement of goods and services and removes many barriers for people and businesses. Concrete results have recently been achieved that help people and businesses better exploit the opportunities offered by the single market. They include the Single Digital Gateway, which will in due course help people and businesses that move across EU borders by simplifying their access to information about rules, procedures, rights and obligations in different member states. Other examples include measures to counter geo-blocking and improve the principle of mutual recognition.

Obstacles to businesses persist however. A stronger single market for goods and services requires firstly that existing rules be implemented consistently. As explained in the letter to the House about the future of the single market,¹⁶ the Commission should therefore focus on better, more transparent and more objective implementation, execution and enforcement of single market legislation. This demands a more robust governance system that gives the Commission a stronger and more politically neutral enforcement mandate, more information and dialogue between the member states and the Commission – partly on the basis of an improved Single Market Scoreboard – and better cooperation between authorities in member states. Impediments are often specific to a particular sector and region, especially in the market for services; the problems experienced by an architect differ from those confronting a haulage firm. It follows that an optimally functioning single market also requires a regional and sector-specific approach, in addition to horizontal EU legislation. The government would like to see the Commission improve its facilitation of regional/sectoral solutions and the provision of information to businesses about legislation and procedures. In order to ensure specific impediments are brought into focus, the Commission must sharpen its analyses of them. The government is therefore advocating an annual ‘state of the single market’ report, possibly in combination with an enhanced Single Market Scoreboard.

If its economy is to remain strong and relevant, Europe must seize the opportunities presented by the digital era. The government wishes to ensure that the EU remains globally competitive and can profit from digitalisation in a manner suited to European society. It must be borne in mind that, outside the EU, there are companies and countries motivated by different values that are making investments and deploying strategies in a serious bid for digital dominance.

Digital policy is a prime example of an area where action at European level is crucial, as argued in the Netherlands’ digitalisation strategy.¹⁷ The government is therefore pressing for digital policy to be formulated at European level where necessary and possible. Working within clear frameworks and parameters, the EU can create the right conditions for competition, innovation and trust for users and businesses in all member states.

The government will push for the development, during the new Commission’s term in office, of a European digital policy that comprehensively addresses the challenges and opportunities presented by digitalisation. Digitalisation spans many subjects that are closely interwoven but have too often been tackled piecemeal in the past, e.g. privacy, innovation, security and ethics. Digitalisation also poses major challenges at EU level for digital government. The new Commission should adopt a more coherent approach to these issues in order to find an effective response. In the first quarter of 2019, the government will present a more detailed overview of its aims as regards EU digital policy.

¹⁶ Parliamentary Paper 22 112, no. 2703, 2018-2019.

¹⁷ Parliamentary Paper 26 643, no. 541, 2017-2018.

Digital policy encompasses many sectors, including healthcare, where the focus is on European cooperation on telehealth. A lack of interoperability is an impediment to cross-border electronic data exchange. The government is focusing on improving technological uniformity, so that healthcare systems can communicate with each other, and linguistic uniformity, so that everyone understands what is meant. International agreements are being made on these issues, including at European level. The government is not in favour of central European systems and databases. Its preference is for this data to be kept close to the source (contact between the care provider and the patient). Instead of adopting a centralised model, options are being explored for further cooperation with member states that have a similar level of telehealth.

In another sector – transport – efforts are being directed at automated and connected mobility. The EU aims to be a world leader vis-à-vis the US and Asia. Efforts in this area have the potential to make transport safer, cleaner, more climate-friendly, more efficient, more user-friendly and more accessible. Commission studies show that the new market for automated and connected vehicles will grow exponentially and yield considerable economic advantages. For example, by 2025 it is expected to generate income of over €620 billion for the EU automotive industry and €180 billion for the EU electronics sector. The government has identified four priorities that merit further elaboration, following on from the current EU strategy: stimulating the use of existing products and services; promoting the responsible introduction of a new generation of smart and energy-efficient vehicles; putting in place future-proof infrastructure and road management; and exploiting, in a responsible manner, the potential of data exchange and connectivity.

The transition to a sustainable and climate-neutral economy provides opportunities for the European business community and in this way opens up the possibility of new jobs. The government therefore feels the next Commission should forge ahead with plans to establish a circular economy, more sustainable supply chains and an effective climate policy, as further set out in this letter. European and national legislation needs to be amended to encourage the development of new business models. The chemicals industry, for instance, is working on technology to use flue gas from steel production as a raw material for plastic. This involves a cross-border partnership between two Dutch companies and a Belgian company. Large-scale application of this technology requires changes to the legislation on waste processing and transportation, so that these industrial residues can be traded more easily.

New and sustainable business models must also be facilitated in agriculture and the fishing industry. As explained in its recent vision document,¹⁸ the government advocates a transition to circular agriculture, a system that avoids depletion of the soil and its minerals as far as possible. This requires strong input from the EU because the issue is largely cross-border in nature and the basic components of agricultural policy are largely determined by the EU. The Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP) must support this process. Enabling the switch to circular agriculture and hence sustainable livestock farming requires the removal of statutory impediments to the use and re-use of residual products and co-products from the human food industry, meat-and-bone meal and additives in animal feed, while safeguarding animal health

¹⁸ Parliamentary Paper 2017-2018, 35 000 XIV, no. 5.

and food safety. In order to curb the use of plant protection products, the government will seek improvements to the EU's market authorisation procedures for low-risk plant protection products. Amending the Nitrates Directive should open the way for the use of substitutes for artificial fertiliser made from livestock manure as an alternative to fossil-fuel-based fertiliser. Amendment of the Fertiliser Regulation should harmonise trade requirements for organic fertilisers. The government will also press for future-proof, sustainable fishing, while working to preserve and enhance the competitiveness of the Dutch fishing industry. Sustainable innovative technologies like electric pulse fishing will play an important role in this regard. Farmers, market gardeners and fishers must be enabled to secure a fair price for their products. Supply chain initiatives aimed at ensuring margins are distributed fairly must be encouraged. Cooperation between farmers will restore the balance of power in the supply chain. Where possible the additional costs of sustainability should be included in the price of products; where this is not possible, the costs should be reimbursed by means of performance payments for specific services that are provided to society. This depends on the willingness of consumers to pay higher prices for food, and demands that the distance between farmers and consumers be reduced in order to protect the position of farmers in society. A broader global effort can also be pursued via the EU, contributing for example to the comprehensive approach to migration in North Africa and helping to promote sustainable and profitable production methods there. Finally, the government wants a sustainable system of food production, which guarantees consumers' freedom of choice, with consumers becoming increasingly aware of the importance of safe and healthy food.

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A sustainable economy offers protection

While the single market has brought considerable prosperity, it has also had adverse effects in the public's view. Social policy is designed to offset the effects of a borderless internal labour market and protect workers' equality within the EU. Significant results have recently been achieved on this front with changes to the rules on cross-border labour, such as the Enforcement Directive and the Posting of Workers Directive, and the establishment of the platform for undeclared work. This will ensure better protection for workers.

Member states themselves bear primary responsibility for maintaining well-functioning labour markets and effective social policy, but coordination is desirable in light of the positive and negative cross-border effects of this policy. In the area of social policy, it is expected that the new Commission will actively seek proposals to resolve cross-border problems in the European labour market and to encourage further socioeconomic convergence among member states. The government intends to make an active contribution, playing an influential role in discussions so that it can continue to steer the development of the social dimension in the direction favoured by the Netherlands. The government would like to see a focus on challenges faced by the EU as a whole, in areas where European cooperation or coordination has added value, with regard to issues like labour mobility, health and safety in the workplace, and employment terms and working conditions at, for example, companies that operate in several EU member states. In addressing these issues, the Netherlands believes that new legislation should not be the first option in all cases. And where new legislation is needed, goal-oriented legislation should be preferred to means-oriented legislation. In the future,

European social policy will have to be directed more towards setting common goals and standards and offering practical support in achieving them.

Socioeconomic convergence is one of the goals of the European project. However, there is considerable divergence in economic performance, and income levels, across the EU. Sustained efforts are required on the part of member states to strengthen the resilience of their economies and improve socioeconomic performance. A significant contribution can be made in this respect by effective utilisation of resources from the European structural and investment (ESI) funds, such as the European Social Fund (ESF), and by the European Semester. With that in mind, the government will also examine whether the European Semester can be strengthened, and if so, how.

These socioeconomic differences are the main cause of large-scale labour mobility. In sectors characterised by cross-border labour mobility, they can lead to unfair competition on wage costs, and working conditions that undermine solidarity between European citizens and businesses. The implementation of the Posting of Workers Directive and the Enforcement Directive – due in part to the efforts of the Dutch government – are important steps forward in curbing these negative impacts. The government will call on the Commission to devise follow-up measures to continue to address unfair competition and protect workers.

There are shortcomings in the enforcement of existing EU rules, including in the area of labour law and the coordination of social security. It is often difficult in practice for enforcement authorities to work effectively with their counterparts in other member states due to their different systems and priorities, as well as language barriers. The launch of the European Labour Authority, scheduled for the second half of 2019, will make it possible to start setting up a cooperative structure geared to enforcement. The government will urge the Commission to expedite this process.

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A focus on education, science and culture will increase the economic competitiveness and innovative capacity of the EU and hence the Netherlands. In light of the subsidiarity principle and the EU's competences in these fields, the priority is to continue to pursuing cooperation, exchanges and mobility in order to forge closer connections between labour markets and deliver more inclusive economic growth. With a view to encouraging cross-border mobility in secondary vocational education (MBO), higher education (HO) and among research scientists, the government will strive for the lifting of barriers to mobility and promote the creation of a European Education Area that is linked to the European Research Area. An important role can be played in this regard by the European University Networks – launched in 2017 by the European Council – and the EU's future education and research programmes. The government will press for continued investment by the EU in education, research and innovation, by means of these programmes and the ESI funds, such as the European Regional Development Fund, in order to foster smart and sustainable growth. In so doing the government will seek to promote the pursuit of knowledge at a high level within the EU, especially in the digital domain. This will entail, among other things, research and innovation based on excellence and impact, building research capacity, innovation, and open access to research results. Further advances in the transition to open science are required so that knowledge can be

shared, used and developed more easily and more quickly. This should be the norm throughout the Framework Programme for Research and Innovation.

In addition, it is important that the European regulatory framework does what it is intended to do. In the area of healthcare, this means promoting the availability, affordability and safety of medicines and medical devices. It is questionable whether public and private interests are correctly balanced. The government is therefore seeking a review of the legislative framework over the coming years, so that the right medicines become available at realistic and sustainable prices. The government intends to continue pressing for the adjustment of this balance of interests, fostering the development of innovative medicines that contribute to better care and quality of life at realistic and socially sustainable prices, so that the benefits of these innovations are available to and affordable for all citizens. For example, the functioning of the legislation on orphan medicinal products should be looked at closely. Orphan medicinal products are granted market exclusivity for 10 years – a de facto monopoly – to enable manufacturers to recoup the cost of developing drugs for rare diseases. However, this exclusivity is sometimes conferred on medicines (including existing drugs) whose development costs were modest and for which the manufacturers set high prices which are difficult to justify. The government therefore looks forward to the results of the Commission's evaluation of the regulation on orphan medicinal products and will play an active part in the subsequent discussion on possible amendments.

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With a view to safeguarding public health, the government will seek close cooperation on the monitoring of infectious diseases such as tuberculosis and the approach adopted towards them at European level. Antimicrobial resistance (AMR) is another issue that can only be tackled efficiently at EU level, with member states supporting each other with implementation. The government also feels that EU cooperation should be stepped up in the field of food and product safety, through improved communication on risks for instance, and prevention (such as discouraging tobacco use). In the Netherlands, social care services have to a large extent been decentralised, with responsibility delegated to local authorities. In many cases services are provided by private operators. Owing to (EU) procurement rules, many municipalities find it difficult in practice to adopt the social care procurement policies they would like. We endeavour to solve any problems that arise within the existing legislative framework as far as possible. However, some of the problems stemming from the EU public procurement directive are difficult or impossible to solve at a national level.

In order to find a structural solution to the obstacles that local authorities encounter in EU procurement procedures for social care services, the government will enter into discussions with other member states that face similar challenges and with the European Commission. The aim will be to assess whether the social care sector can be exempted from the obligations laid down by EU legislation.

A strong economy requires a strong and sustainable financial sector

A stronger economy also requires a stronger financial sector and monetary union. A stronger, stable and competitive eurozone begins with strong member states. Stability and an ability to withstand shocks are fostered by robust implementation of and compliance with the agreements that have been made. The government will therefore continue to urge the Commission to strictly monitor the commitments made under the Stability and Growth Pact (SGP). In addition, important steps were taken in December 2018 to strengthen the eurozone through the reform of the European Stability Mechanism (ESM) and the design of the backstop to the single resolution fund for banks. The agreements contain many of the elements that the government has advocated and which will be fleshed out further. In addition, in the context of the negotiations on the MFF, the Eurogroup will continue to work on a budgetary instrument for convergence and competitiveness for the euro area and countries that participate in the Exchange Rate Mechanism (ERM II).¹⁹

Continued efforts to make the financial sector more stable and resilient are a priority for the government. In line with the letter to parliament setting out an agenda for the financial sector, the government will also work within the EU to promote stability, integrity and innovation in this sector, in part by setting stricter requirements for bail-in buffers, and it will pursue the option of an additional leverage ratio requirement for systemically important banks. A great deal of work has already been done to complete the banking union, but there is still much to do. As regards a European deposit guarantee scheme, a system of this kind can be established only if risks are reduced sufficiently beforehand in all member states. The government will therefore press the new European Commission to take concrete action to amend the framework for the risk-weighting of government bonds on banks' balance sheets before risks are shared under a European deposit guarantee scheme.

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The government will pursue the further integration of the European capital market and advocates expediting the implementation of the plan to build a capital markets union. By broadening the range of financing options available to businesses and enabling risks to be spread more effectively, a capital markets union will help foster resilient economies.

The government supports the Commission's anti-money laundering proposals. Thorough investigation of the recent cases of money laundering at European banks, which prompted these EU proposals, is vital. The government will therefore lobby at EU level for a study into the options for exchanging information so that customer due diligence by institutions is more effective. The underlying aim is prevent customers using various service providers as a means to abuse the financial system. The government will push for an assessment at EU level of how member states could cooperate more closely in the sharing of knowledge about money-laundering risks, phenomena and methods.

¹⁹ For more details see the report of the European Council of 13-14 December 2018: Parliamentary Paper 21501-20, no. AB, 2018-2019. The report also contains the conditions stipulated by the Netherlands.

Various steps have been taken in recent years under the aegis of the EU and the OECD to combat tax evasion and tax avoidance and to increase transparency. The Netherlands has made an active contribution to these efforts and will continue to adopt a constructive stance on this subject in the years ahead. The government recognises the importance of tackling tax avoidance internationally. However, the large number of new measures may result in greater uncertainty on the part of taxpayers about the impact on their tax position. Uncertainty may arise for example because different tax authorities apply the same EU rules in different ways. This could lead to tax disputes. It is important for companies and citizens that rules are implemented and applied consistently, partly in order to remove uncertainty for businesses. As this uncertainty surrounding investments can have a dampening effect, the OECD and the G20 are also devoting attention to tax certainty. This is important to the Netherlands, because it helps ensure the EU remains an attractive place to do business.

Last year the Commission proposed directives on taxation in the digital economy. The proposal for a digital services tax in particular will be discussed further in 2019. This proposal, which is expected to be modified, focuses primarily on online advertising income.

The government believes that the SGP must be reformed to make it more effective. An evaluation by the Commission is therefore welcomed. The government will seek to limit its flexibility and the scope for discretion, to simplify the rules, to enforce them more strictly and to make their implementation more predictable.





5

An effective European climate policy

Under the Paris Agreement of 2015, countries pledged to hold the increase in the global average temperature well below 2°C above pre-industrial levels and pursue efforts to limit this increase to 1.5°C. According to the Intergovernmental Panel on Climate Change (IPCC),²⁰ the differences in the impacts and risks associated with a rise in global temperature of 1.5°C and 2°C are considerable. The United Nations Environment Programme's Emissions Gap Report 2018²¹ forecasts that current mitigation efforts will lead to global warming of about 3°C by 2100, and that a fivefold increase in efforts is needed in order not to miss the 1.5°C target. The government is aiming to cut national greenhouse gas emissions by 49% by 2030,²² and is therefore in the vanguard of efforts to meet the Paris objectives.

By its very nature, climate change demands a global response. Through the EU, the Netherlands can exert influence on the world stage to promote effective implementation of the Paris Agreement and make agreements to safeguard the level playing field between member states. People expect the EU in particular to make joint agreements with a wider impact and to ensure that member states comply with them.²³ The government would like the Commission to do more to monitor and enforce compliance with climate commitments and will explore the options, including a role for the European Semester.

The government welcomes the communication 'A Clean Planet for all,'²⁴ which the Commission published on 28 November last year, and the fact that the Commission expresses a preference in it for a net-zero emissions scenario by 2050. The government is working towards agreement in the Council in 2019 on an ambitious goal for 2050. The Commission can then outline the implications of an ambitious target for 2050 for the intermediate target for 2030 and the associated legislation, namely the Emission Trading Scheme, the Effort Sharing Regulation and the LULUCF Regulation.²⁵ Under the Paris Agreement the EU must communicate a definitive 2030 target (as a nationally determined contribution (NDC)) by 2020 at the latest.

The government will seek a stricter European reduction target for 2030 of 55% (compared with 1990). In so doing the government will advocate for Europe to focus on a single goal: to reduce CO₂ emissions. This approach provides scope to meet the climate targets in the most cost-efficient manner.

20 The Intergovernmental Panel on Climate Change (IPCC), 'Special Report on Global Warming of 1.5 °C', 8 October 2018, <https://www.ipcc.ch/sr15/><https://www.ipcc.ch/sr15/>.

21 UN Environment, 'Emissions Gap Report 2018', 27 November 2018, <https://www.unenvironment.org/resources/emissions-gap-report-2018>.

22 Compared with 1990.

23 SCP, 5 November 2019.

24 European Commission. 'A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy', COM(2018) 773, 28 November 2018.

25 Land use, land use change and forestry.

Climate-relevant EU policy should support the reduction of greenhouse gas emissions as much as possible. Firstly, the implementation of the Energy Union strategy should result in a well-functioning internal market for energy and the achievement of renewable energy and energy efficiency goals, while maintaining security of supply. The government will continue to press for the introduction of a European minimum price for CO₂, giving polluters an ever stronger price incentive to cut their emissions.

Secondly, a more circular economy is essential to the achievement of the climate goals. Better use and re-use of raw materials that are already in circulation will reduce consumption of fossil raw materials and hence emissions. A recent study²⁶ has shown that this approach can yield a significant reduction in the emissions of European heavy industry by 2050. The circular economy complements efforts to make the energy supply more sustainable and creates new earning opportunities for the European economy. The government sees scope for many new European initiatives cross-cutting Commission sectors and policy themes, such as policy aimed at producer responsibility, traceability of materials by means of a materials passport (a list of materials used to facilitate recycling), incentivising consumers to make sustainable choices by means of better consumer information and environmental labels, incentives for sustainable public procurement, stimulating demand for secondary raw materials via quality requirements and harmonised end-of-waste criteria, an ambitious follow-up to the plastics strategy, and assessing the global impacts of supply chains.

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By fostering the transition to circular agriculture, the government is aiming to close the loop on raw materials as far as possible by 2030, minimise emissions and the net loss of raw materials, and conserve natural resources for sustainable food supply. The Common Agricultural Policy and EU policy frameworks, such as the bioeconomy strategy, must contribute to this endeavour to the maximum possible extent. This will entail, for example, amendments to the Nitrates and Fertilisers Directive.

The fourth area where action is required is the promotion of sustainable and smart mobility. The emissions of Europe's transport sector comprise a quarter of all emissions and are still rising. Sustainable fuels, vehicles and infrastructure must be incentivised. This requires an ambitious European source policy geared to cutting emissions. In this regard the government welcomes the decision, made in late December under pressure from the European Parliament, to increase the standards for CO₂ reduction for vehicles in 2030 to 37.5% for passenger cars and 31% for commercial vehicles.²⁷ This source policy will contribute to the achievement of the government's ambitions to phase out the sale of new vehicles powered by combustion engines by 2030.

26 Material Economics, 'The Circular Economy – a Powerful Force for Climate Mitigation', 5 June 2018, <https://www.sitra.fi/en/publications/circular-economy-powerful-force-climate-mitigation/>.

27 Compared with 2021.

The new Commission should not shrink from encouraging the transition to more sustainable modes of transport, such as the transportation of goods via inland waterways, rapid international rail links for passenger transport, efficient rail freight transport between major ports and industrial areas, and multimodal transshipment points. The Commission must work towards climate-neutral inland shipping by 2050 and commit itself with member states to implementing the agreement reached under the aegis of the International Maritime Organization to at least halve emissions from international shipping by 2050.²⁸ Much still needs to be done to harmonise rail systems for the large-scale sustainable carriage of freight and passengers by rail. The government will continue to work for ambitious global agreements on international aviation via CORSIA,²⁹ and for a European tax on aviation. The government will ask the new Commission to present a proposal to this end.

To make the transition to a sustainable and climate-neutral economy, sufficient public and private financing must be available at European level. The government therefore stresses the importance of the Commission continuing to implement the action plan for sustainable financing that was presented in March 2018 and is designed to create more opportunities for private financing of climate and sustainability goals. The EU must invest in innovations by European industry and research institutes that both bring us closer to achieving our climate objectives and create economic opportunities. The development of new and existing technologies and applications such as carbon capture and storage (CCS), and hydrogen and battery technologies, is crucial. The government is committed to ensuring that EU spending is consistent with the pledges made under the Paris Agreement.

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Countering climate change demands EU leadership to bring about global efforts. Climate policy should be accorded a central place in political dialogue with third countries, and the EU has robust instruments at its disposal to encourage implementation of and compliance with the Paris Agreement. The government therefore seeks to have EU programmes in third countries take account of climate impacts where possible, specifically in the area of food security, agricultural development and water. The government therefore supports the proposal made by a number of member states to increase, in the new MFF, the share of climate-relevant expenditure under the external instruments from 25% to at least 50%. The EU also provides a stimulus for the implementation of the Paris Agreement in third countries by means of trade agreements. In all EU trade deals, the aim is to include a reference and make agreements aimed at cooperation on climate action, removing trade barriers to energy-efficient products, and promoting investment in renewable energy.

28 Compared with 2008.

29 Carbon Offsetting and Reduction Scheme for International Aviation, an instrument of the International Civil Aviation Organization (ICAO).



An EU that defends its interests and values in the wider world

To deliver results on our priorities – migration, security, a strong economy and climate – vigorous external action by the Union is a basic necessity. After all, migration objectives cannot be achieved without seeking to work with third countries, for example by making agreements on return and readmission and by helping to combat the root causes of migration. Internal security is impossible without external security, and a strong single market requires a vigorous external trade policy. The same applies to climate policy, whose success depends on agreements at global level; the EU must play a major role in reaching such agreements.

The changing and complex world around us demands, more than ever, united external action by the EU. The government will therefore work to strengthen the EU's position in the world. At the same time, we recognise the importance of transatlantic ties. The EU needs to keep the US firmly on board, even in the face of political disagreements; yet the EU clearly also needs to do more than it is doing at present to help ensure its own security. European external cooperation has become less an option and more an imperative.

In recent years, steps have been taken in the EU to adapt to the changing world order. The EU Global Strategy adopted in 2016 expresses a clear ambition to enhance the Union's position as a player on the global stage. Developments in the field of defence are perhaps the best examples. The Netherlands favours further action to bolster European defence cooperation. The Dutch standpoints in this sphere are laid out comprehensively below in the section 'A forward-looking agenda for a secure Europe'.

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At the same time, it should be noted that with regard to the Common Foreign and Security Policy (CFSP) as a whole, implementation is lagging behind the EU's ambitions and the challenges it faces. Responsibilities for external policy are often shared or overlapping, both at EU level and in the member states. This creates a great need for effective coordination, in which the High Representative/Vice-President (HR/VP) is a crucial player with a crucial role. In a world where third countries have an interest in the EU's fragmentation, the Union needs an HR/VP who is capable of uniting the member states and building consensus. Better coordination of external action is also needed at EU level. The current Commission has taken a first step in this direction by forming a cluster model of Commissioners with major external remits under the HR/VP. The next Commission should both continue and deepen this policy.

Vigorous EU external action also demands responsible member states that make constructive contributions to ensuring a strong role for the EU in the wider world. The CFSP is traditionally a policy area where member states are keen to preserve scope to set their own national policy, and to give countries a major role in EU decision-making in case vital national interests may be at stake. However, the requirement of unanimity on CFSP matters has sometimes led to EU CFSP decisions being blocked or taken too slowly. This can undermine the EU's effectiveness and reputation, and thus harm Dutch interests. The Commission's proposal to introduce qualified majority voting on specific components of the CFSP (such as sanctions, the adoption of positions in multilateral organisations on human rights, and the implementation of CSDP civil missions) could help make the EU more decisive and effective.³⁰ The government retains the right however to block any move to qualified majority voting in additional components of the CFSP.

The situation on the EU's southern and eastern borders is still confronting the Union with major challenges. Stability in the countries neighbouring the EU is an essential interest of the EU and of the Netherlands. The picture is mixed, with faltering reforms and growing third-country influence in parts of the Western Balkans. In some Eastern Neighbourhood countries, despite reform processes, negative developments are visible in the areas of democratisation and the development of the rule of law. In the Southern Neighbourhood the crises in Libya and Syria are causing instability in the region. Close cooperation with these regions, making use of the EU's full range of instruments, is of great importance to the Union. Only in this way can the EU effectively promote positive developments and achieve results on common challenges like migration. In working with these countries, whether on enlargement policy or neighbourhood policy, it remains essential to insist on the principle that conditions that have been set must be met.

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³⁰ See the BNC file on the Commission Communication 'A Stronger Global Actor: More Efficient Decision-making for EU Common Foreign and Security Policy', Parliamentary Paper 22 112, no. 2714, 2018-2019.

EU development cooperation is an important instrument in tackling the challenges that Europe faces, such as addressing the root causes of poverty, irregular migration, terrorism and climate change. The government will work in the coming years to strengthen joint European development cooperation programmes, and especially to make European development cooperation policy more effective. Efficient use of resources, a focus on results, joint programming and improving the position of Dutch implementing organisations are the Netherlands' top priorities. In line with the policy document 'Investing in Global Prospects',³¹ the government will work to embed conflict prevention, climate goals, international corporate social responsibility (ICSR) and gender equality more firmly in EU external policy.

A strong single market necessitates a vigorous external trade and investment policy. The government will work for an EU that takes the lead in reforming and modernising the global trade and investment system, through both the World Trade Organization and bilateral EU trade and investment agreements with third countries. Our aim is to lay the strongest possible international foundation for European values and standards, so as to promote a level playing field, bearing in mind our own strategic economic interests. At the same time, public support for European trade and investment policy can by no means be taken for granted. Transparency and stakeholder involvement (including a role for national parliaments) are key, but neither the European institutions nor all member states can always be counted on to defend them. Enhancing transparency and stakeholder involvement in EU trade policy are also important. EU leadership in promoting ICSR is essential. The government will therefore press for a level European playing field where ICSR is concerned, so as to enhance our impact in improving working and environmental conditions and increasing sustainability in producer countries.

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³¹ 'Investing in Global Prospects: For the World, for the Netherlands' (May 2008), Policy Document on Foreign Trade and Development Cooperation, <https://www.government.nl/documents/policy-notes/2018/05/18/investing-in-global-prospects>.



An effective European Union calls for properly functioning institutions and strong member states

To achieve these priorities and deliver practical results, the performance of both the EU institutions and the member states needs to meet certain requirements. Particularly in a year of drastic change, a focus on the EU's functioning will be vital. While keeping to the framework of the current treaties, we need to see what can and must be improved.

Quality and equality: regulation, implementation and enforcement

One of the EU's underlying problems is the uneven quality of different states' implementation of EU legislation. This affects confidence in, and the credibility and legitimacy of, the Union as a whole. The government will therefore work to promote good governance and higher quality public administration in the member states, in the interests of effective implementation of EU law and policy. When implementation falls short in one member state – for example because that state lacks sufficient implementation capacity – other states are directly affected, for example by inadequate border controls.

Proper implementation is best served by high-quality legislation. In the government's view, there should be a greater focus on ensuring that draft legislation is warranted and feasible, for example by having the Commission's impact assessments discuss member states' ability to implement a piece of legislation. In the term of the current European Parliament, the Commission has taken big steps forward on better regulation, but ongoing attention to this topic is still warranted. European legislation still needs to be made more modern, simpler and more inclusive. Vigorous implementation of the Better Regulation agenda comprises three core points: strict application of the principles of subsidiarity and proportionality when proposing legislation, critical review and simplification of existing legislation, and practical and effective – i.e. feasible and enforceable – new legislation which does not involve a needless regulatory burden. The new Commission should carry on with this Better Regulation agenda, so as to permanently embed it in the Commission's working methods and ambitions.

The government will also strive to improve the implementation of the European budget. The Netherlands raised the issue of the unpredictability of the budgetary process when it held the EU Presidency. The government sees scope for improving the implementation of the European budget, for example by reducing the number of supplementary budgets or by fixing times each year for the presentation of supplementary budgets.

The member states themselves are responsible for implementing the EU budget, and must render account for this. This obligation can be reinforced to strengthen mutual confidence between the member states and the institutions. In the area of finance, for example, the government advocates requiring that all member states' Annual Control Reports be made public. The European Commission will be asked to safeguard the quality of the member states' audit authorities by verifying that auditors comply with applicable legislation, so as to ensure that the Single Information Single Audit (SiSa) principle remains feasible and is promoted.³² This principle relies on trust, and to make that trust possible, the Commission must be able to rely on national audit authorities. Making their annual Audit Control Reports public will contribute to this.

³² Parliamentary Paper 21 501-03, no. 102, 2016-2017.

In addition to better and equal implementation of EU legislation by the member states, better oversight and enforcement are also needed. In the Dutch government's view, a properly functioning EU is one that not only adopts legislation but also guarantees effective enforcement and oversight. While member states bear primary responsibility for this, the Commission must be capable of holding them to account, and must play a greater role in doing so. This requires a Commission that takes action against member states from an impartial position. Enforcement and implementation capacities must be reinforced simultaneously, in a balanced way. A situation must be avoided in which the Commission is landed with the responsibility whenever a member state falls short or has insufficient implementation capacity. Member states must retain responsibility for ensuring a minimum level of quality where public administration is concerned. At EU level, however, measures can be taken to support member states or to encourage them to fulfil their responsibilities. Resources from the EU budget could be deployed more effectively, for example, with sufficient conditionalities, or the Commission could make use of the Structural Reform Support Service. Initiatives can also be developed to support the sharing of experiences between member states, such as the European platform against undeclared work and the European Labour Authority now being established to support labour inspectorates. An effective European approach to tackling problems with the rule of law will also help strengthen member states' governance capacity.

A manageable, decisive European Commission

To deliver practical results in the EU's political priority areas, these priorities need to be better reflected in the Commission's structure, decision-making and resources. The organisation must be geared to achieving the Union's objectives; form must follow function. For example, the Netherlands favours a comprehensive approach to migration issues. Only by tackling all the factors that contribute to an unregulated influx of migrants and refugees can the EU be effective in keeping migration under control. Internal and external migration policy must be seamlessly interwoven, as must the deployment of instruments and resources. The government believes that pressing onwards with the cluster model introduced in 2014 can be helpful in implementing such a comprehensive working method. In this model, the Vice-Presidents of the Commission bear responsibility for the political priorities, and have the authority to take decisions that are binding on the other Commissioners in the same team. To facilitate a comprehensive working method that ensures clear political leadership in priority areas, the government would recommend that the Commission explore ways of applying this same cluster model to the officials staffing the Commission, so as to enhance flexibility in the different Commission services.

The Commission also has a range of mandates, particularly for policymaking and enforcement. These responsibilities can conflict with one another, which can undermine the Commission's independence and its operational effectiveness. This poses a risk, for example, to the Commission's macroeconomic supervisory function. The government will investigate the possibility, within the scope of the existing treaties, of making a clearer separation between the Commission's policymaking tasks on the one hand and its analytical and enforcement tasks on the other.

Agencies have been created for the purpose of legislative implementation, coordination and supervision. While these agencies have different mandates and tasks, they are all supposed to be directed by the Commission and accountable to the Commission in the same way. In the interests of effective policy, agencies like Frontex – whose implementation task concerns a politically timely issue – need to be directed in a different way. In the Dutch government's view, this issue lends itself to a study by the next Commission.

This means that the government will work to improve the Commission's functioning, in order to make it more effective, manageable and decisive. The motion introduced by MP Kees Verhoeven and adopted by the House of Representatives requested the government to work to establish a smaller Commission with fewer Commissioners, as provided for in the Lisbon Treaty.³³ This would however require agreement by all member states, and a number of member states have already made their opposition clear. The likelihood of forming a smaller Commission during the term of the next European Parliament is therefore not great.

An EU that upholds democracy and the rule of law

A major issue to which the government will devote considerable effort in the coming year is protecting and strengthening democracy and the rule of law in the EU. The Netherlands' constitutional responsibility to promote the international legal order, both within and outside the EU, demands an active stance and endeavours to defend the rule of law as part of the EU's fundamental values.³⁴ Mutual trust between member states and confidence in the functioning of the rule of law in all EU countries are, after all, fundamental to European cooperation. The single market, EU justice policy, police cooperation and a Schengen area without internal borders all depend on a level playing field and member states' respect for the principles of the rule of law, democracy and fundamental rights.

The government will continue to work vigorously, in concert with other EU member states, for genuine improvements on the basis of the principles and practices of the rule of law and respect for the EU's values. A peer-review mechanism in the field of the rule of law could be a tool for deepening dialogue among member states on this point, in accordance with the motion by MP Stieneke van der Graaf. During the negotiations on the Multiannual Financial Framework, the government will also continue to support a link between receipt of EU funds and conditionality in the realm of the rule of law. The Netherlands will also press in the General Affairs Council (GAC) and Justice and Home Affairs (JHA) Council for adherence to the principles of the rule of law that underpin the Union.

³³ Parliamentary Paper 21 501-20, no. 1305, 2017-2018.

³⁴ Article 2, Treaty on European Union.

Clear decision-making with public support

As emphasised in this government's first State of the European Union report, getting the public involved in European decision-making is essential to ensuring a robust, united and democratic Europe. To this end, transparency and accountability are indispensable means of strengthening democratic legitimacy. It is therefore important to involve national parliaments optimally in the adoption of European legislation. Agreements have been made for this purpose between parliament and the government concerning the provision of EU-related information, with the aim of supporting parliament in exercising its monitoring role as effectively as possible. For example, parliament receives the government's responses to consultations and Green and White Papers, annotated agendas and reports of the meetings of the European Council and the Council of the European Union. BNC files are also drawn up on the Commission's Communications and proposed new legislation. Moreover, it has been agreed that parliament will receive quarterly reports from each ministry about negotiations in progress on EU legislation and on the implementation of directives. Parliament also has access to the Council's EU Delegates Portal. The government will continue to strive for optimal provision of EU-related information to parliament.

In addition, the government will work with parliament to explore the possibility, within the existing treaties, of giving national parliaments more scope to communicate their wishes and ideas for new European policy and legislation (a 'green card' procedure). The government will urge the EU institutions to find ways to do this using existing instruments, particularly with a view to facilitating joint initiatives by national parliaments. The government is also encouraging the Commission to be more flexible about the deadline for national parliaments to submit opinions concerning the subsidiarity principle.³⁵

Transparency and access to documents related to EU decision-making are essential to ensuring the proper functioning of representative democracy. Technological developments, European case law, criticism by national parliaments, the European Ombudsman and civil society all make clear the need to modernise the Council's transparency policy. The government's aim is to secure greater transparency in the trilogue phase (the negotiations between the Commission, the European Parliament and the Council), proactive publication of documents in the legislative process, a standard procedure for the application and interim review of restrictions on access to documents (the 'limité marking'), and the most timely possible publication of such documents. These aims will be explained in greater detail in a separate letter to parliament that the House will receive in time for the parliamentary committee meeting with the minister on the provision of information. The government welcomes the talks on this subject that were recently launched in the Council, but is fully aware of how limited support has been so far in the Council for the Netherlands' proposals. The government is therefore working to expand the coalition of member states that favour enhancing transparency. In this light, it welcomes the House's efforts to join with other national parliaments to put modernisation of transparency policy on the agenda in other member states.

³⁵ Protocol on the Application of the Principles of Subsidiarity and Proportionality, Lisbon Treaty.

Increasing transparency in the rendering of account by member states should also be a means of combating irregular and improper use and misuse of EU funding. The government wants to see forceful EU action against such abuses, which should at the same time ensure the lowest possible additional administrative burden for beneficiaries.

Alternative forms of cooperation to achieve results

Improving the EU's functioning also requires looking at the composition of, and forms of cooperation within, groups of countries that may be more effective on the Netherlands' five priorities. In its report of 4 September 2018, the Scientific Council for Government Policy (WRR) observed that the EU should offer more scope for variation in order to continue promoting unity among the 28 member states, with all their considerable differences. In this connection the WRR sees variation, not as a last resort or temporary expedient, but as a basic principle.³⁶ Its report is an important addition to previous analyses on this subject, and helpful as the government further elaborates its overall policy. In the government's view, seeing variation as a basic principle rather than a last resort dovetails with Dutch policy on European integration, which, from the very beginning, could be described as a quest for opportunities for our own country and simultaneously for close cooperation with like-minded countries. The Dutch government's aim³⁷ has always been to preserve and where possible strengthen European unity. At the same time the government is realistic about forming groups of trailblazers, which has for some time been one of the most common ways of deepening European cooperation.³⁸ Like the WRR, the government also recognises that embracing uniform, wide-ranging projections of Europe's future is not helpful in promoting effective European cooperation. The government prefers to take as its point of departure realistic, practical forms of variation, whereby a separate assessment must be made in individual cases of how feasible and desirable a given form is for the Netherlands. In opting for an alternative form of cooperation, a determination must be made of the risk that it could weaken Community cooperation, in order to ensure that the EU defends all member states' interests in a balanced way. This determination must include the linkage between rights and responsibilities that EU membership entails, thus contributing to a level playing field. The government also upholds the principle that variation must never undermine the essential common foundations of the EU, such as the fundamental values enshrined in article 2 of the Treaty of European Union. The government will stand firm for a Netherlands defined by freedoms, democracy and the rule of law. A community of values cannot be taken for granted; rather, in the government's view, it is something that demands constant attention. Variation must thus not detract from the indivisibility of fundamental rights. For the rest, any assessment of the desirability of variation should take account of institutional feasibility, transparency of the governance model, and legal certainty for individuals and companies.

³⁶ Scientific Council for Government Policy (WRR), Variation in the European Union, report no. 99, 4 September 2018.

³⁷ Parliamentary Paper 21 501-20, no. 1414, 2018-2019.

³⁸ See also State of the European Union, letter to parliament, Parliamentary Paper 34 841, no. 1, 2017-2018.



The Netherlands' position in a changing European Union

Realising the Netherlands' ambition of an EU that delivers on migration, security, the single market and climate policy while maintaining a strong global position, demands active Dutch effort in Brussels and all the European capitals. An active Dutch stance is needed in the EU, both to achieve the Netherlands' objectives at European level and to resist the developments that the government considers less positive. To achieve results, the Netherlands needs the other member states. This means working together with like-minded countries and – at least as important – building bridges where possible with parties that hold different positions.

The Netherlands' position in the EU cannot be viewed separately from the UK's withdrawal. For the negotiations on withdrawal and the UK's future relationship with the EU, 2019 is a crucial year. In principle, the UK will leave the EU on 29 March 2019. The Dutch government still aims, as much as ever, to have the Withdrawal Agreement ratified and take effect in good time. Negotiations on the future UK-EU relationship can begin only after the UK has left the EU. On the EU's side, they will require the adoption by the Council of one or more negotiating directives, at the recommendation of the Commission and High Representative.³⁹ The Dutch government aims for the EU and UK to forge an ambitious, far-reaching relationship, which will cover not only socioeconomic matters but also internal and external security. The Political Declaration Setting out the Framework for the Future Relationship provides a solid basis for this.

The government is aware that the UK's departure will change many established expectations and apparent certainties within the EU.⁴⁰ Clearly, Brexit will not only have drastic and complex economic, financial, legal and political consequences, but will also affect the internal balance of forces within the EU. Once the UK is gone, not only will the Netherlands lose a generally like-minded partner within the EU, but the balance of power will mainly shift to the advantage of the remaining large member states.

These shifts will require the Netherlands, and other small and medium-sized member states (which, like us, have taken positions comparable to the UK's on many issues) to seek each other's support even more intensively in order to develop initiatives that influence the Union's course. The issues at stake include a modern, affordable EU budget, an open trade and investment policy, the single market, digitalisation, a less heavy regulatory burden, ambitious climate policy, responsible public finances, an Atlantic orientation in security policy, modern agricultural policy and progressive development cooperation policy. Against this backdrop, the government will continue to invest in more structured coalition formation with like-minded member states, and will involve less like-minded member states in these efforts where possible. Maintaining good relations with, and knowledge of, other EU member states will be more essential than ever if we seek to influence EU decision-making and achieve results.

³⁹ In accordance with article 218 of the Treaty on the Functioning of the European Union.

⁴⁰ Parliamentary Paper 21 501-20, no. 1413, 2018-2019.

In the government's view, Dutch influence on post-Brexit decision-making cannot be judged only in terms of the Netherlands' ability to forge effective coalitions. The European Parliament and European Council must also be included more often at an early stage in the discussion. The government recognises the importance of having enough Dutch nationals occupying positions in all the European institutions and at all levels, and will press for the adoption of the measures needed to maintain a suitable geographical balance. In doing so, it will both focus on the permanent staff establishment that is formed through the EU competitions and pursue ongoing efforts to have Dutch officials temporarily seconded to EU institutions. This will require a firm commitment by all the ministries in The Hague, effective implementation of central government-wide strategic human resources policy focusing on strategically important jobs, steady advancement by Dutch EU officials to higher positions, and a better overview of potential Dutch candidates for key vacancies.

The government recognises the importance of well-coordinated, supplementary diplomacy in the European capital cities, and has freed up resources for this purpose. Our embassies serve as 'antennae' in this respect, identifying risks and opportunities in relation to Dutch efforts in Brussels, lobbying and gathering background information needed to form effective coalitions. It was largely these considerations that led the government to decide on 8 October 2018 to strengthen the Dutch network of missions in Europe.⁴¹ In the interests of European cooperation, additional diplomats will be posted in the coming years, not only to the Dutch Permanent Representation in Brussels, but also to Dutch embassies in Berlin, Brussels, Bucharest, Budapest, Dublin, London, Madrid, Paris and Zagreb, as well as to embassies in countries directly bordering the EU, i.e. in Pristina, Sarajevo, Skopje, Tirana and Belgrade.

A post-Brexit approach to forming coalitions will have to be aimed to a great extent at influencing the Franco-German axis, and at mobilising like-minded countries like Belgium, Luxembourg, the Nordic and Baltic states, Austria and Ireland, as well as other member states that are not as immediately obvious as allies. More than in the past, the Netherlands will be called upon to draw on its talent for bridge-building and its tactical flexibility. We are already in a good position to do this. Germany and France in particular see the Netherlands as a serious interlocutor. New momentum has been created in recent months for partnerships between the Benelux countries and the Nordic and Baltic states. The government is aware of the importance of avoiding any perception of permanent bloc formation in the EU (North versus South or East versus West). It will therefore continue to maintain friendly ties and seek to build coalitions with all member states with similar interests, on matters of principle (such as the rule of law), on specific material interests, and on initiatives to improve the EU's functioning. This approach to building coalitions will be part of the government's continuing efforts to secure a strong position for the Netherlands within the EU.

Forming coalitions has been part of the Dutch approach to diplomacy ever since the Peace of Münster was signed in 1648. Our country has always needed to look for coalitions in order to safeguard our own interests. Our strength lies in our versatility and our capacity to adapt to changing circumstances. We will have to rely upon these skills again in the months and years ahead. The government is facing this challenge with confidence.

⁴¹ Parliamentary Paper 32 734, no. 32, 2018-2019.

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