

THE COMMISSION'S LEADERSHIP AND THE EU GOVERNANCE

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This Synthesis summarises the main issues dealt with during the conference entitled “The Commission leadership and the governance of Europe” organised by the Jacques Delors Institute and Friends of Europe on 16 March 2015 in Brussels, with contributions of Jean-Claude Juncker, Étienne Davignon and Jacques Delors among others.

Introduction

With the new European Commission settling in after its first hundred days in office, the Jacques Delors Institute with partner Friends of Europe, invited Jean-Claude Juncker, President of European Commission, and Étienne Davignon, Vice-President of the European Commission (1981-1985), to discuss the challenges ahead for the governance of Europe, with a video contribution by Jacques Delors, President of the European Commission (1985-1995).¹ This conference was introduced by Yves Bertoncini, Director of the Jacques Delors Institute. Debates with Valentina Pop, EU correspondent at *The Wall Street Journal* and Peter Oomsels, Vice-President of the Young European Federalists (JEF-Europe) were moderated by Giles Merritt, Secretary General at Friends of Europe.

“One hundred days of the Juncker Commission have revealed a Commission already full of promise,

especially in the way that it has been organised by its president,” noted Yves Bertoncini. “Though this Commission is still in early days, we can already see a more politicised and decisive approach to governance than in recent years.”

The Commission headed by Delors remains a reference in the history of European construction. “Jacques Delors is a true father of European unification, killing the ‘Eurosclerosis’ of the 80s and 90s,” Juncker noted. “Without him, we would not have the euro, the Economic and Monetary Union (EMU) or indeed the EU as we know it. He is at the heart of the great successes of the EU.”

Leadership of the EU, and particularly the European Commission has become more difficult over the past decade, noted Delors in a video contribution, owing in large part to two factors in the European political landscape.



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Firstly, he said, public opinion in the EU has become deeply fragmented. As a result of the trauma of globalisation, populist and nationalist movements have grown in popularity on both the far-left and far-right of the political spectrum. This fragmentation has led to a search for identity and an increase in demagogy, undermining the task of pro-EU governments.

“It is indisputably more difficult today to be Commission President than at the end of the 20th century,” he stressed. “If pro-EU work is not accomplished on the level of national governments, the Commission cannot compensate on its own.”

The second factor contributing to the challenges facing current EU leadership is the scale of the EU. “We are now 28 countries,” he added. “I am not saying that this is too many, as enlargement has been, and is, an historical necessity.”

Furthermore, the political landscape in Europe is split between the euro area and non-euro area members. Among the non-euro area countries, there is a tendency to say that EU decision-making occurs in the core countries of the union, thus reinforcing nationalist tendencies.

Leaving these political factors aside, Delors underlined that a good European Commission President:

1. should not believe that he/she is the first among equals, but rather is at the service of the European member state governments;
2. needs to be sure to establish a true collegiality with commissioners so that, after frank and open discussion, the college upholds a unified perspective;
3. should assert the Commission's monopoly on the right of initiative, and finally;
4. must have a lot of energy.

“Far too often the President wakes up in the morning to find that a villainous beast has destroyed his work from the day before, which must then be restarted,” he concluded.

These human factors are important but not the only criteria by which a Commission can be said to succeed. Among the other factors at play, institutional organisation and governance methods are at the forefront of how the EU's leadership reacts and interacts to govern Europe.



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1. Redressing the institutional balance of the EU

At its birth, the institutional structure that has evolved into the current EU was a wholly new approach to transnational community building, stressed Davignon. Established in 1958, the European Commission, a body whose only responsibility was to ensure a European future, gave the EU construction its unique character.

In recent years, the executive powers of the Commission have come up against strong-willed member state governments. When it could not accomplish what was critically important because of political context or difficult compromises, it shifted its attention to secondary matters.

“The simple fact is that no single member state, whatever its capacity for administration, is able to know and understand the situations in the other 27 member states,” said the former Vice-President. “Europe's administrative structure should be a European structure. Though the Commission has had to step aside in the past because it did not use all of its competences, maybe it can regain its position.”

“I want to re-establish the political dimension of the European Commission,” Juncker stressed. “The Commission is not a gang of bureaucrats, not an *ad hoc* mix of circumstance. It is a political institution, this is its role.”²

The institutional balance in the EU needs to be redressed, he continued, with a particular focus on crafting a stronger alliance between the Commission and Parliament in the face of a resistant European Council.

Strengthening the political foundation of the Commission means strengthening its right of initiative and selecting commissioners with the knowledge and understanding of European diversity, mechanisms, and the sensitivity of certain nations, he stressed, adding that “we cannot build the EU against the will of the member states and citizens. We need to build Europe together with these nations.”

For this reason, Juncker sought to staff his College of commissioners with former ministers and heads of state, ensuring a maximum of leaders with a deep understanding of the situations and needs of various member states.

Finally, he aims to firmly re-establish the Community method in all things, noting that in recent years, given the economic and financial crises, the EU and its member states have been relying far too often on the intergovernmental method of governance.

The EU's Investment Plan is a concrete example of the use of the Community method in practice. Though it is well within the mandate of the Commission to handle the plan on its own, the President insisted on including the Parliament, inviting MEPs to debate and appropriate the Commission's proposals.

“We have invited the Parliament to follow our proposals for the EU's Investment Plan,” he concluded. “We will succeed in reaching an agreement. Though there are many Eurosceptic MEPs, we can rely on the virtuous majority who, just like the Commission, want the EU to be a strong and lasting reality.”



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2. Solidarity and subsidiarity

The greatest challenge facing the Commission's leadership is not the lack of legitimacy of the same, noted President Juncker. Rather, it is the legitimacy of the EU as a whole as understood by its citizens. Rebuilding and maintaining trust between citizens, member state governments, and the EU institutions is at the top of the list of priorities for the Commission.

However, while the Commission can be an instrument to narrow the gap between citizens and policy, it is not the only institutional player. “The lack of confidence in the EU is to be placed at the feet of the member state governments,” he underlined. “Subsidiarity and solidarity belong together. The way national governments present EU decision-making as a zero-sum game is a total disaster and contrary to the spirit of the EU. We need to change this.”

“I am pleading for a big Europe on big issues and a more modest Europe on the smaller ones,” he said. “I do not think that we are respectful enough to the principle of subsidiarity. Let local, regional and national governments do what they do best and let the EU concentrate on what greater issues it can.”

The shift of the institutional balance towards the national governments in the European Council has fuelled the divisions between the member states since the economic crisis. “The current state of relationships in the euro area has become very antagonistic,” underlined Valentina Pop. “We are ever more falling into a ‘1 vs. 18’ logic with Greece, increasing concerns about the possibility of Grexit, and now Brexit.”

“The further one is from the centre of the EU, the less it seems to matter,” Juncker said. “Europe needs to adopt a no-nonsense political approach to EU cohesion. Either a Greek or British exit from the EU would not be in the best interests of anyone involved.”

What the EU needs to accomplish with Greece and Britain is a fair deal for all, while respecting certain red lines, he continued. The answer lies with national lawmakers and the behaviours of their governments. All sides of the debate need to be encouraged to show solidarity and work to discourage the exit of any member state.

Having put into place firewalls and other preventative measures, the Commission President and his College are convinced that the systemic danger of Greece's exit from the euro area does not exist. However, he stressed, the real danger is with the humanitarian crisis currently spreading throughout the country.

"The Greek crisis is about the Greek people," he concluded. "They have to face the huge weight of austerity and, while they have to respect their commitments, the solution is about the love we must have for them. We need to treat them with solidarity, dignity, and respect. We are 19 democracies in the euro area, not 18 vs. 1."



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3. A new democracy for the EU

During the past years, the European approach to governance has been too heavily weighted towards the intergovernmental method, noted Peter Oomsels.

As citizen worries about fundamentalism, growing intolerance movements, tax evasions, and so on, increase, there is a lack of corresponding democratic opportunities to bring these issues to the forefront of the EU discussion. While citizens can vote every 5 years, abstention is on the rise, especially among young people and in addition, technological advances in communication and diffusion are making Europe's democracy seem outdated.

"President Juncker's nomination and election to the head of the Commission was a result of a democratic innovation put into place by the Lisbon Treaty," he noted. "Would it not then follow that the European Commission work towards supporting the foundations of a new approach to European democracy?"

The novel concept of including lead candidates in the most recent EU elections was most likely overlooked by many voters, though this will not be the case in the future, Juncker stressed. EU citizens should now know that the lead candidates in the next elections will be those occupying the top jobs. This democratic innovation aims to increase citizen involvement and interest in the democratic processes of the EU

"We have to start anew with public opinion in Europe," underlined Davignon. "We have difficulty remembering that our European future does not stand alone but depends on the different strengths we need to gather in a globalised world."

More efforts in particular need to be aimed at European youth, he added. The figures for youth abstention in European elections are very high. Combatting this trend requires motivation through education, mobilisation, and inclusion from the old guard of European politics.

"If we speak to EU citizens, it is because we want to be influenced by them," Juncker stressed. "It is important to listen to the people, and when I do, they tell me that the EU is too busy with too many things. All the problems in Europe are not necessarily problems for the EU."

The European Citizens' Initiative (ECI) has the potential to become a powerful tool for direct democracy in the EU, if the Commission is able to adopt a fresh approach to the way in which it encourages its use. The widening gap between citizens, the Commission, and the EU must be closed so that the EU may enjoy a good and healthy future, he concluded.

4. Looking to the future

To address the future direction of the EU, on the 6th of June this year the Commission will release a report on deepening the Union, indicated Juncker, adding that "it is critical that we strengthen our Union because the world around us does not understand where we are going. With so many external representatives, we have made ourselves ridiculous in the eyes of our global partners in the Bretton Woods institutions and elsewhere."

Deepening the EU means beginning with the EMU, which is ineffective for the simple reason that Europe

has a central bank but no central government to regulate it. In 25 years, no single member state will be wealthy enough to be included in the G7, meaning that European voices will not be heard at the highest level unless the EU can regulate and legislate the EMU and create a true, deep, and effective union.

Another cause for concern for the future of the EU are the demographics, indicated Giles Merritt. "By 2050, we can expect a 10% drop in size of the EU population," he noted, "and an even greater decline in its workforce. These are worrisome and important issues for our leaders."

Indeed, with Europe being the smallest continent, as its population and workforce decline, so will its relative portion of global GDP. "We are losing demographic weight," agreed Juncker, "so the time has come to deepen our European relationships. Internally, we need our smaller entities but to see the EU re-dividing itself is anathema to European development in the future."

The EU needs to invest intellectually and materially to set Europe on the right track for the future, Davignon stressed. A clear example of this need can be found in the energy union project. "The world of energy has completely changed," he said. "In this case, the market alone cannot provide the answers we are looking for, we must also consider elements such as climate and safety."

The EU spends €1bn per day on energy costs, a figure which could be decreased by €40bn per year by interconnecting national and regional networks. With energy costs being 40% higher in the EU compared to the United States (US), important questions need to be addressed as to the industrial future of Europe.

Equally important to the future of the EU is the introduction of the digital single market on the continent. The digital single market is important as a source of income but could also create up to 2 million new jobs in Europe over the next five years.

"The digital issue is very real," Juncker said, "and we are lagging behind. We have not more than two years to bring ourselves up to the level of the US and other global competitors."

"The EU, for those who live here, is still a *sui generis* construction," he concluded. "There are no examples in the world that we can follow because *we are* the example. We need to strive to build Europe together with our citizens, member states, and with people in the European Commission who know and understand our European diversity, our regions, and our strengths."

1. Jacques Delors, "Jacques Delors discusses the Commission presidency and the EU's institutional functioning", *Video tribune*, Jacques Delors Institute, March 2015.

2. Jean-Claude Juncker on European governance: "Jean-Claude Juncker discusses the Commission presidency and the Delors years", *Video tribune*, Jacques Delors Institute, January 2015.



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