

Capital Brussels: What kind of political actor will the Lisbon EU be?

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2009 was a remarkable year for the EU. Observers definitely had the impression that the heads of state moved towards more intense cooperation and that the European Commission became weaker. At the same time, however, we also saw the appointment of the first European Council President, Herman Van Rompuy and the first EU 'Minister' of Foreign Affairs, Catherine Ashton. With the new Lisbon Treaty coming into force on 1 December and the formation of a new European Commission headed by the – finally – reappointed Barroso, one must now ask whether the character of the EU has become more federal (i.e. a project with supranational institutions) or more intergovernmental (a project of cooperation between states)?

On the one hand, it might be said that the EU has become less federal, due to a seeming erosion of the authority exercised by the EU institutions in recent years, as a result, inter alia, of the financial crisis and an increase in Euroscepticism at the national level, disinclining politicians towards widening and deepening EU policies. EU decision-making has become more intergovernmental, with an explosion in the number of different European Council meetings composed of heads of state and governments. Not only are there now official European Councils (four per year), but also the ad hoc meetings of heads of states or governments including meetings with third-country leaders and historical occasions (e.g. the 20th anniversary celebrations of the Fall of the Berlin Wall); preparatory meetings for gatherings of global leaders (Pittsburgh on G-20 on the economic crisis; Copenhagen on climate change) and sub-27 gatherings in G-3, G-6 and other formations. As a consequence, fewer decisions are being taken at the level of the sectoral Council formations (say, Economic or Environmental Councils), which decide by majority, and more are being shifted to the highest level (where unanimity applies and the European Commission's role is limited). And this trend is just the tip of the iceberg: behind the more frequent meetings of the heads of state lies a world of informal bilateral contacts between the capitals. In short, intergovernmental EU is flourishing.

This process towards intergovernmentalism has been propelled by other developments. First, in recent years, the Barroso Commission has gained a reputation for being more attentive to the big member states, for example, in the application of the Stability and Growth Pact rules or in turning a blind eye when it comes to state aid policy. In fact, the challenge for the European Commission is to how regain relevance in the EU decision-making process: according to Eurobarometer, its perceived relevance has decreased by 7% between 2004 and 2008.

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Second, the diminished powers of the European Commission in its role as defender of the European interest are linked to the fact that the institution itself is facing growing fragmentation. There is an ever-growing number of EU agencies (now over 30) with approximately 6,000 members of staff; the entire European Commission has some 25,000 officials. And with the new treaty, there is a possibility of creating a new, sui generis super-agency, the European External Action Service, with an expected 3,000 staffers on its own, a significant number of whom will be coming from the national administrations. In recent years the European Commission has also shown a lack of understanding of the newer EU member states' sensitivities. Five-and-a-half years after the 'big bang' enlargement, only 2.9% of top decision-makers in the Commission are nationals of the newer members. As a result, some of the Commission's proposals are formulated without any input from the region. This was, for example, the case with the Commission's proposals on financing the climate change negotiations.

Moreover, there was the process of appointing candidates to the top EU jobs. Despite complaints about his lack of ambition and charisma, Barroso was re-elected as President of the European Commission in a lengthy three-month process of fierce battles between the European Parliament and the governments, which finally came to little more than navel-gazing over a single candidate. The choice of President of the European Parliament, Jerzy Buzek, was ultimately decided in a dispute between the Italian and Polish Prime Ministers, which was ultimately won by the latter. The secrecy with which the appointment process of the first permanent president of the European Council and new foreign policy chief was cloaked is the quintessence of the intergovernmental approach. The decision to downgrade the position of the 'European President' (in fact, President of the European Council) from a leader with star power (such as Tony Blair) to a mere coordinator (Herman Van Rompuy – a politician with limited international prestige, whose primary job is to serve the interests of other European Council members, such as the German Chancellor or the French President) serves to further illustrate the power of the larger member states in decision-making procedures.

Nevertheless, this growing intergovernmentalism of the European project is matched by a growing federalisation. First, there are important policy developments that have actually strengthened the European Commission. The Barroso Commission has in fact been much more powerful than its public image might suggest. To name just a few of the important victories: state aids in the car industry have been fought back; the deal between Magna and Opel was far from approved, and the €6 billion that Sarkozy intended to offer to Peugeot on the condition of closing production in other states to save employment in France was shelved. Support to banks has led to rulings on the break-up of major financial institutions, such as ABN-Amro, RBS, ING, Lloyds, etc. Beyond the realm of competition policy, in other policy areas the EU has also been highly active (and the role of the Commission was crucial here), such as leading the climate change discussions within the UN and devising policies to safeguard the EU's influence between its eastern borders and Russia; opening debates on the future of agriculture policy and furthering the Europeanisation of fragmented research policies – to name but a few recent developments.

Second, the re-election of Barroso actually resulted in the institutional re-enforcement of both the Commission and the European Parliament. In the absence of a new treaty, the Parliament introduced new informal procedures for the appointment of the Commission President by asking for a government-type policy programme declaration and by insisting on specific priorities before confirming Barroso in his post. This greatly politicised the President's profile and implies that he and his Commission have become increasingly accountable to the Parliament.

Third, Europe's political system is shifting inevitably towards a more Parliament-oriented system. The new treaty doubles the legislative powers of the Strasbourg assembly in decision-making and increases its say in the comitology process. Budgetary powers are also extended. Having a former head of government as its public face notably gives the chamber more formal recognition, but increases its informal influences, as well. If there were already calls for more transparency in appointing a European Council President, there will probably be even more pressure in the future to have those public hearings for EU ambassadors or even the European Council presidential candidates in the Parliament. This time, politically speaking, the Parliament and the Commission are increasingly sharing the responsibility to safeguard the European interest.

The ongoing parliamentarisation of the EU is well under way. President Barroso made a promise to the chamber to nominate a human rights commissioner. He granted this portfolio to Vice-President Reding. Also, Barroso had to present to the European Parliament a government-type declaration on what he intended to do. This will also serve as a point of reference to control Barroso II's performance by the chamber. In order to avoid any conflict with the EP over its nominee for the new foreign policy chief, the European Council knew that the candidate must have an irreproachable profile. A left-wing woman with a solid EU

background proved hard to reject by the Parliament. This entire episode provided solid evidence that the standing of the European Parliament in relation to the other institutions improved significantly last year..

Despite its waning strength, the Commission gained a new source of legitimate power last year. Its decided conservative-liberal composition – with a few left-wing leftovers – improves the institution’s standing. Mirroring a political majority in the EP and the Council reinforces the Commission’s position and strengthens its political mandate. It also strengthens the European Union because it proves that the electoral choices made by voters in the European elections in June 2009 have been respected.

The fourth argument is linked to the EP elections last year. In a situation where in fact simultaneous elections were held in all EU member states, and national campaigns were run by national actors, the message sent out by the people of Europe was clear: they trusted the conservative politicians to lead the way out of the crisis, regardless of whether they already held national offices (i.e. as was the situation in France or Poland), or whether they were in opposition (i.e. as in the UK and Spain). If this trend continues in the years to come, it may mean that we witnessed the actual emergence of a European ‘political public’ in June of last year – when people in their national contexts, confronted with choosing from among a slate of national politicians, give a pan-European answer. This development increases the legitimacy of actions taken by political leaders both in the Commission and in the European Parliament.

So, which of the two processes is dominant and will prevail over the other? Despite all the changes introduced – including the appointment of President Van Rompuy, the formation of the EU’s external action service with Baroness Ashton as ‘Minister’ of foreign affairs, the increased powers (both formal and informal) of the Parliament and the multiplication of EU agencies – and contrary to expectations, 2009 will not be remembered as the year in which ‘Brussels’ fell apart. Instead, it seems to have emerged more or less as a normal European capital with different institutions playing their expected roles in ways similar to that observed in ‘normal’ capitals. After all, there is a president, a parliament and a fragmented executive with an emerging diplomatic corps – the External Action Service – and a central bank, numerous agencies and now even also a set of specific financial regulatory authorities. A fragmented executive is not necessarily a bad thing for the Union; it is normal in most administrations.

With all these trends, the EU seems to be treading the same balance it has operated under for some time between intergovernmentalism and federalism. Last year saw a mutual reinforcement of the trends towards supranational ‘Brussels’ on the one hand and political control from the member states on the other. This seems to be an effective – and more legitimate – starting point for the EU in facing the multitude of internal, regional and global challenges before it, such as ensuring the stability of internal market rules, guaranteeing the stability of the European neighbourhood in Eastern Europe, the South Caucasus and in the Middle East; combating climate change within the UN context and finally, working towards a stable global financial regulatory system.