

Major Changing Of The Guard At European Commission

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The election of the new European Parliament (EP) on May 25 was the beginning of a major reshuffle of the leadership posts in the EU institutions. It could not be finished before the summer holiday, but the new target date is Aug. 30. Two months after, on Nov. 1, a whole new European Commission should be in place. This will inevitably slow down activity in the EU, and sensitive issues like the trade negotiations with the U.S. will have to pause until the new leadership is firmly in place.



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What Has Been Happening Until Now?

- In its inaugural session on July 1 in Strasburg, the new EP elected with 409 votes (on 751) the German Socialist Martin Schulz as its president.
- Two weeks later, in a second plenary meeting, the EP elected as president of the European Commission the ex- Prime Minister of Luxemburg Jean Claude Juncker, who had been “chosen” by the European Council in a meeting at the end of June. He received 422 votes — 13 more than Schulz.
- Juncker started immediately to negotiate with the member states the sharing of the 27 other portfolios in the new commission, which is due to start functioning on Nov. 1.
- Sharing the portfolios is in the hands of the president except for one which has to be decided together with the EC: the successor to Cathy Ashton, the high representative (HR) for foreign policy, “double hatted” to the commission and the Council of Ministers. The EC met the day after Juncker’s election but failed to select the new HR.
- In the same meeting, the heads did not succeed either in selecting the new president of the EC, who will replace Herman Van Rompuy in December, and decided to meet again on Aug. 30, after the summer holiday.

As is becoming a tradition, the two main political groups in the EP, the Christian Democrats and the Socialists, agreed to split the presidency of the Parliament in two, starting this time with the candidate

from the Socialist group — who will be replaced in two and a half years by a member of the European Parliament from the Christian Democrats. As a consequence, Martin Schulz, who presided the Parliament during the previous half term, succeeded himself as president.

Schulz had rather preferred to be president of the European Commission: He was the candidate for the post for the Socialist group but the Christian Democrats, even after having lost 40 seats, remained, with 214 left, the first party in the EP (the socialists reached 191 seats) and imposed their candidate, Jean Claude Juncker, the ex-prime minister of Luxemburg — who would have preferred the post of president of the EC!

The decision to propose Juncker was made on June 26 in a meeting of the EC in Ypres commemorating World War I. Heads of government did not like the procedure invented by the EP to “impose” a candidate, but Juncker was popular with his ex-colleagues and rallied the support of more than a qualified majority. Nevertheless, Cameron (supported only by the Hungarian Viktor Orban) decided to ask for a vote and voted against him, calculating that the risk of looking isolated in the union was well matched by the support he would get at home for his anti-Juncker stance. This happened after an incredible smear campaign in the British press, where Juncker was presented as an alcoholic, drunk on cognac at 9 in the morning, which is a serious exaggeration.

Proposed by the EC, Juncker was then easily confirmed on July 16 by the Parliament, well in time to start the long negotiation with member states over the appointment of individual commissioners. But one of them was supposed to be selected separately: The successor to Cathy Ashton indeed needs to be selected first by the EC because the position is “double hatted”: member of the commission but also “high representative” of the union for foreign policy issues, for which the European Commission is not competent.

The EC met immediately after the election of Juncker in the Parliament, on July 16, but did not manage to agree on a candidate, notably because of excessive pressure from new Italian Prime Minister Matteo Renzi, who wanted to impose, at all cost, Italy’s current foreign minister, a young and inexperienced ex-party official, Federica Mogherini.

To make the selection easier, the new HR could have been chosen together with the new president of the EC, the successor of Herman Van Rompuy, but Van Rompuy was not in a hurry to have his successor appointed: His mandate continues until Dec. 1, and he did not want to become a lame duck too soon. He probably understood also from his contacts with the heads of government, that an agreement on just two names would be difficult to reach if there was not more clarity on the sharing of responsibilities among commissioners.

What Will Happen Now?

In order to start functioning on Nov. 1, the new commission needs to be formed during the month of August: Two months will then be needed for hearings in the EP which has to approve "en bloc" the College of Commissioners after having heard each of the candidates. The president of the commission, will thus embark during the summer break on a vicious negotiation with the member states on a large “package” including — on top of the HR and the new president of the EC — the sharing of the main portfolios in the commission. Comments from EU capitals give the feeling that it will not be an easy task.

Indeed, the European Commission has emerged from the Euro crisis more powerful than ever in dictating policy and imposing structural reforms to member states in order to reduce the overall level of

debt. Not only the commissioners in charge of competition or trade would be in strategic leadership positions but also those dealing with the internal market (with the regulation of financial markets), economic and monetary policy, telecoms, energy policy and so on. There is also talk of a “permanent president” for the Eurogroup, the meeting of finance ministers of the Eurozone, and even, to make it more complicated, the idea of bringing commissioners involved in the same area in “clusters” — which means that some of them would be more important than others.

But Juncker also needs to check if his selection will be approved by the EP. This is not a formality; in the two commissions he assembled, Barroso had to renounce candidates presented by member states after the EP threatened to reject the entire commission if they were part of it. So Juncker has to be careful not to create too many problems. A major problem would certainly be an insufficient number of women: Member states tend to propose more men than women, but the EP already announced that any proposed “College” with less than 10 women — one more than in the present commission — would be rejected.

Will the Decision Be Made by Aug. 30?

It depends on the capacity of the main actors, including the leaders of the major member states, to arrive at the right balanced decision. Not only a balance between political groups but also between the East and the West, the North and the South and on top a satisfactory gender balance. And all this during the summer break, when Brussels stops working for three to four weeks!

This will be very difficult but, on the other hand, there is also a feeling of urgency: the Ukraine crisis is challenging EU foreign policy; the cost of energy and the threat of a crisis with Russia impose urgent decisions on energy security; the European Central Bank will complete in the months to come “stress tests” which could threaten the credibility of some major EU banks; the economic situation is still fragile in many countries and the EU is challenged to create growth and jobs while bringing an end to austerity.

The European elections were a wakeup call on the danger of Euroscepticism gaining ground. An institutional crisis on top of all this would be a disaster and the top EU leaders are very conscious of it.

How Will This Affect EU Activity — and the TTIP Negotiation Between the EU and the U.S.?

EU activity does not stop because the commission is renewed; only the commissioners can make decisions (collectively) but these are based on preparatory work made by hundreds of officials working in the various directorates and coordinated by the powerful commission’s secretariat general. The Transatlantic Trade and Investment Partnership negotiation is conducted by a director in the directorate general for trade in the EU Commission, Ignacio Garcia Bercero, who will remain in place, as well as Director General Jean Luc Demarty and the officials presiding the working groups. A round of talks took place in July and TTIP was one of the first debate in the new European Parliament in July.

But even if the technical work can continue, the problem is that TTIP is challenged politically by more and more interest groups and nongovernmental organizations, by a substantial part of public opinion and even by politicians in countries like Germany and France. A major political effort will be required to face these challenges and this effort cannot be conducted at working level. Midterm elections on the other side of the Atlantic will also make any compromise on EU offensive positions difficult if not impossible in the months to come.

The commissioner for trade, Karel De Gucht, is a powerful figure, but he will not stay; he wanted to but

it would have been contrary to all traditions to keep the same commissioner in the same post for five more years. Barroso and Cathy Ashton were strong supporters of TTIP and the president of the European Council, Herman Van Rompuy, helped also promote the transatlantic deal; but in November they will all have gone. Their successors will need time to adapt and when they will have adapted, we will be dangerously close to the American presidential campaign.

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