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José M. Magone

The political system of the European Union

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Desmond Dinan
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The European Union (EU) has a singular political system, reflecting the singularity of the EU itself (Hix and Hoyland 2011). Nowhere else in the world have countries agreed to transfer so much sovereignty in such a wide range of policy fields to a level of governance above that of the nation-state. Nowhere else is the supranational level so highly developed and sophisticated. Nowhere else is there a system of multi-level governance that ties the sub-national, national and supranational levels inextricably together.

Superficially, the political system at the supranational level resembles that at the national level, with which most people are familiar. The EU features a Commission (often referred to as the executive), a Parliament (legislature) and a Court (judiciary). But the EU also has a European Council and a Council of Ministers (formally the Council of the EU). Moreover, the Commission also plays a legislative role – it has the exclusive right (in most cases) to initiate legislation and participates in the ensuing decision-making process – and the European Parliament (EP) is a co-legislator with the Council of Ministers, not the sole legislative body. The European Council does not play a legislative role, but it reaches political agreements that shape the legislative agenda and (occasionally) specific legislative outcomes. In addition, the European Council makes key decisions of a quasi-constitutional nature – for example on the size of the EU (i.e. when to accept new members) and on reform of the treaties upon which the EU is based.

Perhaps the most distinctive feature of the EU as a political system is that it does not have a government, only a means of governance. It is easy to identify the government of Spain, Germany, Ireland or any other EU member state. The national executive consists of a ministerial cabinet and a head of government, chancellor or prime minister. Depending on the national political system, the head of state may have governmental responsibilities (as in France). The EU differs from familiar national systems precisely because it is not a state, although it has state-like characteristics and is organized along federal lines.

The EU was founded more than 60 years ago as an international organization of a highly unusual kind. The founding member states understood that establishing and operating a common market in coal and steel (the purpose of the original European Community) required putting in place a novel institutional arrangement at the supranational level. They did not attempt to establish a European federation or a superstate – an unrealistic objective, then and now. Although European integration has deepened dramatically since that time, the institutional
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architecture of the original endeavour remains largely unchanged, despite fundamental transformations in the composition, roles and responsibilities of the institutions themselves.

The EU has a plethora of heads of government, heads of state and presidents. Because it is a system of multi-level governance, the heads of national governments and the national heads of state (where constitutionally appropriate) operate at the EU level. Indeed, the politically most important national leaders constitute the European Council, which has its own president, who is elected by the national leaders in the European Council for a two-and-a-half-year period, renewable once. The European Union also features another EU-level president: the President of the European Commission. There is even a third EU-level president – the President of the European Parliament – who plays a decisive role in the EU political system but is not a member of the European Council.

The presidents of the European Council, European Commission and European Parliament represent the EU, but they do not lead or govern the EU. The President of the European Council is a chairman, not a chief. The President of the European Commission is the head of that institution, but not of the EU as a whole. Presidents of the European Parliament have traditionally played a ceremonial role, though Martin Schulz, the current incumbent, is recasting the position in an overtly political way. Nevertheless, his potential power is limited to leading only that institution. Who, then, leads the EU?

The European Council

The European Council is the foremost governing institution of the EU (Puetter 2012). It was not part of the original institutional architecture. Instead, the European Council emerged in the mid-1970s when the leaders of France and Germany, concerned about the sorry state of European integration, decided that the European Community (the forerunner of today’s EU) needed new direction at the highest political level. The existence of the European Council facilitated decision-making on major initiatives to rejuvenate economic and political integration, beginning with the launch of the European Monetary System (EMS) in 1979. The European Council was instrumental in bringing about the Single European Act (SEA) of 1987, which helped accelerate the pace of European integration and symbolized the European Community’s resurgence. The European Council played a decisive part in every major initiative thereafter, from the conclusion of the Maastricht Treaty in 1991 to the launch of the third stage of economic and monetary union (EMU) in 1999, to the historic expansion of the EU in 2004 and 2007 into Central and Eastern Europe, to the management of the Eurozone crisis since 2009.

The duration and severity of the Eurozone crisis has demonstrated the importance but also the limits of the European Council as the EU’s foremost governing institution. Only the member states’ top political leaders had the authority to take the decisions necessary to manage and ultimately resolve the crisis. Accordingly, during the crisis the European Council met more often than ever before in regular and extraordinary sessions. In addition, the Euro Summit, a sub-set of the European Council consisting of the leaders of Eurozone members, came into existence during the crisis; this group has met almost as frequently as the European Council proper.

Despite the frequency of European Council and Euro Summit meetings, the crisis seemed insoluble. This was due in part to the nature of the crisis itself. As European Council President Herman Van Rompuy observed, ‘markets have the luxury of moving with the speed of the click of a mouse; political processes . . . cannot deliver so quickly’ (Agence Europe 2011). In addition, the fact that so many people shared responsibility for managing the Eurozone inevitably made matters worse. ‘There are 17 governments sitting at the table in the Eurogroup [the finance ministers of the Eurozone members], representing a total of more than 40 political parties’,
Europgroup president Jean-Claude Juncker pointed out in early 2011; ‘it’s no wonder that there are occasional difficulties with coordinating things’ (Spiegel Online International 2011). At the highest political level, the European Council and the Euro Summit faced similar constraints. Given the EU’s political character and institutional architecture, EU leaders were simply unable to respond rapidly, no matter how urgent the situation became.

In principle, the national leaders in the European Council are equals. (The Commission president also participates in Council meetings but, by virtue of not being a national leader and therefore lacking the right to vote on or veto measures in the Council, has less standing). In practice, however, some national leaders are more equal than others. The leaders of France and Germany predominate, as they have since the institution’s creation (Krotz and Schild 2013). This is due in part to the nature of international relations. France and Germany are the EU’s economically largest and politically most influential member states. They have a special position within the EU because of the history of Franco-German rapprochement that underlies the development of European integration. Britain, the only other member state with the economic and political weight to join France and Germany at the top of the EU power pyramid, has effectively marginalized itself, first by abstaining from the early stages of European integration and then by not participating fully or enthusiastically in key EU policy developments, notably the EMU.

Given the nature of the institution, the political dynamics of the European Council are highly personal. France and Germany may be the most influential member states, but their leaders have not always liked or respected each other. Nor do France and Germany necessarily share the same institutional and policy preferences on EU issues. In view of their history and overriding desire for further integration, however, French and German leaders have generally overcome their national differences (as well as their personal differences) to forge common positions or broker agreements at decisive stages of the EU’s development. This has particularly been the case when the leaders have had a good rapport with each other. Examples include President Valéry Giscard d’Estaing and Chancellor Helmut Schmidt (agreement on the EMS), and President François Mitterrand and Chancellor Helmut Kohl (agreement on the Maastricht Treaty and the EMU).

Inevitably, the Franco-German duopoly has engendered the resentment of the other member states. This has tended to manifest itself when Franco-German relations are tense (and therefore the countries’ joint leadership is weak) or when the EU is going through a difficult patch. For instance, other national leaders chafed at the high-handedness of President Jacques Chirac and Chancellor Gerhard Schröder at the time of the Iraq War, and many were critical of the behaviour of President Nicolas Sarkozy and Chancellor Angela Merkel during the early years of the Eurozone crisis. In both cases, the French and German leaders advocated positions and pushed policies through the European Council that were controversial and not widely supported.

Just as France and Germany are more equal than the other member states in practice, Germany is more equal than France within the Franco-German tandem. This became abundantly clear during the recent crisis, when Germany emerged as the EU’s undisputed, albeit reluctant, hegemon (Paterson 2011). Angela Merkel, chancellor since 2005, became the most powerful politician in the EU. Though criticized for her tentative leadership style, Merkel insisted on a policy of austerity for the Eurozone, especially for countries receiving EU assistance. The severity, dubious economic benefit and high social costs of national austerity programmes generated a backlash against Germany. François Hollande won the French presidential election in May 2012 in part because of his opposition to austerity and his open criticism of Merkel.

The frosty personal relationship between Hollande and Merkel reflects a growing and seemingly irreversible divergence in French and German perceptions of the EU. France and
Germany have always had different institutional and policy preferences that they somehow managed to reconcile. However, the EU increasingly suited France less and Germany more. The 2004 and 2007 enlargements, which shifted the EU’s centre of gravity further to the east, and the Eurozone crisis, which highlighted French economic weakness and German economic strength, exposed stark differences in the two countries’ fundamental bond with Brussels.

For Britain, the EU seems an alien place. David Cameron, who became prime minister in May 2010, responded to pressure from the strongly Eurosceptical wing of his Conservative Party and concern over the rise of the ultra-nationalist United Kingdom Independence Party by promising to hold a referendum on continued EU membership if he was re-elected. Britain’s non-membership in the Eurozone, semi-detachment from other policy areas and flirtation with exiting the EU have greatly diminished Cameron’s potential influence in the European Council.

Apart from Britain’s situation, the Franco-German dominance of the European Council crowds out opportunities for other leaders to cultivate influence. The leaders of small countries are at a disadvantage; however, they are not insignificant players. The degree to which they can shape deliberations and decisions in the European Council depends on a range of factors, including a leader’s personal charisma, experience with EU-level governance, diplomatic skill and political acumen. Their influence also depends on the validity of the arguments and the soundness of the ideas being put forward, the member state’s image and reputation within the EU, and prevailing political and economic circumstances.

Jean-Claude Juncker is an interesting case in point. He was president of the Eurogroup by virtue of being his country’s finance minister, but he served at the same time as Luxembourg’s prime minister. As one of the longest-serving prime ministers in the EU, Juncker was also one of the most senior members of the European Council, where, despite coming from one of the EU’s smallest member states, he was unusually influential. Juncker’s influence was derived not only from his familiarity with the European Council and with other EU leaders, but also from his personal qualities, political skills and understanding of policy issues – especially with regard to the EMU. In addition, Juncker spoke French and German, which facilitated communication with the European Council’s top decision-makers.

Arguably, the demise of the rotating European Council presidency robbed the leaders of small member states of an opportunity to be more influential in the EU, albeit for only six months (the duration of the presidency). While holding the rotating European Council presidency under the old, pre-Lisbon Treaty regime, the leaders of small member states were more visible on the EU stage but were not necessarily more influential in EU decision-making. Indeed, respect for the norm of neutrality – the expectation that presidents will act as an honest broker rather than an advocate for national preferences – generally characterized the presidential performance of small member states. The loss that many national leaders have felt since the end of the rotating European Council presidency is primarily a loss of prestige and publicity, not power.

In place of the rotating presidency, the European Council now has its own full-time president (Charléty and Mangenot 2012; Dinan 2013). During the Constitutional Convention of 2002–3, which produced what eventually became the Lisbon Treaty, there was speculation that the first incumbent would be an EU heavyweight, a former leader of a big member state. However, Sarkozy and Merkel, the potential king-makers, decided that the inaugural office-holder should be a less forceful and less famous person. They opted for Herman Van Rompuy, the little-known, unassuming prime minister of Belgium, who was duly elected by the European Council (Barber 2010). He took up the position in December 2009, when the Lisbon Treaty came into effect, and was elected for a second term in mid-2012.
Van Rompuy had no intention of turning the European Council presidency into a platform for forceful EU leadership, even if he could have. He focused squarely on improving the European Council procedurally by tightening its agenda, restricting participation in its meetings to the principals (inviting government ministers only on an ad-hoc basis), shortening and sharpening summit conclusions and ensuring better follow-through (Dinan 2013). The national leaders set a precedent by electing someone of Van Rompuy’s calibre as the first standing European Council president, and the Belgian’s low-key efficiency set a precedent for future incumbents. More than likely, national leaders will continue to keep political power in their own hands, and the leaders of France and Germany will remain more powerful than the others.

Apart from the European Council president, the Commission president is the only non-leader of a member state to participate in the European Council (the High Representative for Foreign Affairs and Security Policy attends but is not a member of the European Council). As noted above, the Commission president’s potential power in the European Council is institutionally limited, but that does not mean that a Commission president cannot be influential. Indeed, Jacques Delors, the most powerful Commission president in EU history, owed his success in large part to the influence that he wielded within the European Council (Endo 1999). The reasons for Delors’s success were both personal (ability, acumen and ambition) and political (experience and skill). The fact that he was French and was rumoured to be a potential future prime minister or even president helped as well. As a result, he operated almost as an equal with Mitterrand and Kohl, thereby broadening the Franco-German axis into a Franco-German–Commission axis within the European Council.

In addition, Delors had the luck to become Commission president at a time when the then-European Community was about to take off. Delors was exceptional, as were the European Community’s circumstances at the time of his presidency. Partly in response to Delors’s ascendancy, national leaders decided to clip the Commission’s wings, resolving not to appoint successors in the Delors mould. The potential influence of subsequent presidents was also weakened by the Commission’s internal disorganization in the post-Delors period, as well as by the Commission’s enforced resignation in 1999 following an epic confrontation with the EP (see p. 214). Although the Commission remains central to the EU’s political system, the political influence of the Commission president is strictly limited, especially in the European Council.

Though central to the EU system of supranational governance, the European Council is largely an intergovernmental body; after all, its principal members are the heads of national governments. Ideally, the European Council acts in the interest of the EU, even if its deliberations are primarily informed by national perspectives. The European Council functions best when there is a consensus among national leaders on what constitutes the European interest, and when there is little or no conflict between the presumed European interest and the various national interests. National and European interests are unlikely to be congruent when the political stakes are high – for instance at a time of crisis.

In recognition of the centrality of the European Council in the EU system, recent treaty changes have included provisions for the use of qualified majority voting (QMV), a defining characteristic of supranational governance, in European Council decision-making (Goebel 2011: 1259–62). The issues on which the European Council may vote are largely limited to high-level appointments (such as the presidents of the Commission and the European Council). The European Council has thus far refrained from formally taking votes, preferring to reach consensus even when national leaders disagree on the desired outcome. This reflects the prevailing culture of consensus within the European Council, as well as a realization on the part of other member states that when France and Germany promote a particular preference, opposition – even if successful – can be counterproductive.
The increasing prominence of the European Council is altering the nature of the EU political system. National leaders are more involved than ever before in EU decision-making and are more inclined than ever to push national interests more forcefully and unselfconsciously. Recently, the seemingly endless round of summits, each followed by a grandiose declaration that appeared to do little to stem the Eurozone crisis, fuelled intense criticism of the European Council and the Euro Summit and deepened concerns about the direction of EU governance. Schulz was among the most vociferous critics, denouncing the excessive role of the European Council in the crisis, which (he claimed) accentuated intergovernmentalism, undermined parliamentary scrutiny and weakened the legitimacy of EU governance (see Schulz 2012a). Restricted as EP president to delivering a speech to the national leaders immediately before the official opening of each European Council, Schulz demanded full membership in the EU’s most exclusive club. At issue was not only Schulz’s eagerness to be at the centre of EU decision-making, but also a growing rivalry between the European Council and the EP, thanks in part to the Lisbon Treaty, which elevated the importance of both institutions.

The Commission–Council–Parliament triangle

Although the European Council sits at the top of the EU political system, the Commission, the Council and the EP regularly interact with each other at a lower level in order to enact legislation and take other important decisions. The purpose and process of their interaction has changed over time, due to formal treaty revision, inter-institutional agreements and practices developed in the course of everyday dealings among the institutions. Regardless of how they transpired, these changes in inter-institutional relations reflect the changing nature of the EU, especially in view of its widening policy and geographical scope.

The Commission

The Commission epitomizes the EU and its political system. The Commission’s ethos is supranational: although commissioners come from the member states, they do not – or should not – take instructions from national governments. Nevertheless, they are cognizant of national opinion and act as a conduit for the flow of information between the national and European levels of governance.

The Lisbon Treaty included a formula for constituting the Commission with fewer members than there are member states, which would have ended the practice (in effect since the beginning of the European Community) whereby each member state appointed at least one commissioner. Following the rejection of the Lisbon Treaty by Irish voters in June 2008, the Irish government asked the other national governments to retain the formula of one commissioner per member state. This was a point that Irish citizens felt strongly about, and which the government needed to happen in order to be able to hold, and win, a second referendum on the treaty. The European Council acquiesced in Ireland’s request; a second referendum took place; the government duly won; and the Commission did not change from having one member per member state.

Tying the Commission’s size to the size of the EU seems like a formula for inefficiency. The more member states, the larger the Commission; the more commissioners, the less cohesive and effective the institution becomes. With an EU of 28 member states, the problem of the Commission’s inherent inefficiency would seem to be acute. In practice, however, successive Commission presidents have been adept at managing the supposedly unwieldy institution. Jacques Delors complained about the size of the Commission following Portuguese and Spanish
accession in 1986, yet the Delors Commission of the mid-1980s was one of the most effective in EU history. José Manuel Barroso is often caricatured as a weak Commission president, but he has effectively managed the largest Commission in EU history (28 members).

In fact, a Commission tied to the size of the EU is not only manageable, but also more legitimate than it would otherwise be. Weak legitimacy is the most serious political problem plaguing the EU. Because its members are appointed and not elected, the Commission is particularly vulnerable to claims that it lacks legitimacy. Weak though it may be, the Commission’s legitimacy derives in part from the fact that its membership is congruent with the EU’s membership. The citizens of small member states are particularly sensitive to this point, as Irish voters clearly demonstrated at the time of the Lisbon Treaty referendums.

Concern about the Commission’s legitimacy would not matter if the Commission were unimportant in the EU system; it is precisely because of its importance that concern about its legitimacy is so widespread. The Commission has always been at the centre of the EU system. With the dramatic broadening of the EU’s policy scope following the SEA, the Commission became more essential than ever to the conduct of EU affairs, even though some new areas of EU activity (such as foreign policy and security) were avowedly intergovernmental. As the Commission’s importance increased over time, so too did complaints about the so-called ‘democratic deficit’ – the gap between the governed and the governing in the EU (Føllesdal and Hix 2006; Habermas 2012; Hobolt 2012; Moravcsik 2002).

Nowhere is the Commission’s growing importance more evident than in economic policy, especially since the onset of the Eurozone crisis. Although the Commission has been involved for many years in efforts to coordinate macro-economic policy among Eurozone members, the reforms undertaken in response to the crisis, especially with regard to the Stability and Growth Pact, have strengthened the Commission’s role. Olli Rehn, Commissioner for Economic and Monetary Affairs and the Euro, became the closest thing in the EU to the public face of the crisis-management effort.

Paradoxically, the rise in the Commission’s political importance has coincided with a decline in the president’s political influence. Barroso may be a good manager of a large and potentially fractious Commission, but his influence outside the institution is limited. As noted earlier, national leaders decided after the Delors era to limit the Commission president’s potential power. In an effort to reassert the Commission president’s broader authority, in 2010 Barroso inaugurated an annual ‘State of the Union’ address, to be delivered to the EP in Strasbourg every September. Far from enhancing Barroso’s political stature, the annual address has become a ritualistic call for ‘more Europe’ and a return to the traditional ‘Community method’ of EU decision-making in which the Commission, the Council and the EP dominated and the role of the European Council was severely limited.

The Council of the EU

Just as the Commission has a supranational ethos, the Council, populated by national ministers, has an intergovernmental ethos. Although there is only one Council, there are many Council configurations, covering the full range of EU activities (the Foreign Affairs Council, the Environment Council, the Agriculture Council, etc.). Ministers reside in national capitals and come to Brussels for Council meetings, usually once a month. The Council’s operations are reliant on an extensive foundation of preparatory committees and working groups, including the Committee of Permanent Representatives, one of the most powerful bodies in the EU political system. The Permanent Representatives are high-level officials based in Brussels who represent the national governments. The Committee of Permanent Representatives prepares
the meetings of the Council and marshals the work of lower-level committees and working groups of national ministerial officials. It often takes decisions that the Council merely rubberstamps.

The presidency of the Council is one of the EU’s most distinctive institutional features. Except for the Foreign Affairs Council, over which the High Representative for Foreign Affairs and Security Policy presides, the Council presidency continues to rotate among member states every six months. This rotation is designed such that member states of different kinds – big and small, old and new – succeed each other. To provide continuity and improve consistency, member states form presidency trios, although coordination within each trio and between the trios varies considerably.

Even though the country in the presidency no longer presides over the European Council and the Foreign Affairs Council, the job is still demanding. Having fewer resources, small member states often have difficulty chairing all the sub-committees and working groups in the Council apparatus. For that reason, small member states are more likely to rely on the assistance of the Council Secretariat, the Council’s permanent, Brussels-based civil service. Perhaps because of the pressure but also the prestige of presiding over the Council, small member states generally make a huge effort to succeed. Being seen to have run a good presidency is a point of pride for these states, especially when they are new members of the EU. Big member states, particularly France and Germany, tend to take being in the Council presidency for granted.

Running a good presidency means managing Council business well. Each Council has a busy agenda, organized by the presidency. Countries in the presidency often seek to close particular agenda items, especially contentious ones, during their six months in office. There is an expectation that countries will act as honest brokers and will not pursue their own interests while in the Council presidency. Some member states – again, usually the small ones – are better at this than others. Managing a good presidency often means eschewing national advantage for the sake of an otherwise unobtainable Council agreement.

Over the years, qualified majority voting has become the norm for decision-making in the Council. This did not happen by chance; in fact, the gradual extension of QMV to more and more policy areas was one of the most hard-fought battles in the political history of the EU. As noted above, QMV is a defining characteristic of supranational governance. The willingness of national governments to be outvoted on a wide range of policy issues and to nonetheless abide by all decisions sets the EU apart from other international organizations. It has not been easy for sovereignty-conscious governments to give up the national veto and accept the practice (let alone the principle) of Council voting, even though minority positions are privileged by the need to form a supermajority.

The empty chair crisis of 1965–6, the greatest constitutional crisis in the history of European integration, was sparked by a treaty-mandated move towards greater use of QMV. French President Charles de Gaulle, a traditional nationalist who opposed supranationalism, attempted to block the move by withdrawing French representation from the Council, thus bringing Community decision-making to a halt. The crisis ended with the Luxembourg Compromise, an agreement whereby a government could prevent a Council decision from being taken by claiming that a very important national interest was at stake. Frequent invocations of the Luxembourg Compromise, whether implicit or explicit, hampered decision-making in the Council until a backlash in the early 1980s led governments to use QMV more frequently. An important breakthrough came with the SEA, which allowed for the use of QMV for most of the legislative measures necessary to complete the single market programme by the target date of 1992. Successive treaty changes increased the scope of QMV to cover most policy areas subject to legislative decision-making.
The long battle over QMV involved not only its use and scope, but also its modalities. Originally, each country had a certain number of votes, allocated approximately according to its population size. Although no two countries had exactly the same population, similar countries – such as France and Germany, or Belgium and the Netherlands – were grouped together and given the same number of votes each. With the acceleration of European integration in the late 1980s and the increasing domestic salience of EU policy-making, governments began to pay closer attention to the rules of the game. By the time of the negotiations in 2000 for what became the Nice Treaty, the big member states were pressing for more votes. As the biggest member state, especially after reunification, Germany felt entitled to more votes than any other member state, but agreed to maintain parity with France. Not being historically beholden to Belgium, the Netherlands accepted more votes than its less populous neighbour.

The modalities of QMV became one of the most heated issues in the Constitutional Convention of 2002–3. Keenly aware of their relative loss of power as a result of enlargement, which had brought and would bring into the EU many additional small member states, France and Germany pressed for a new system based on the double majority principle. Under this rule, half the number of member states representing at least 60 per cent of the EU’s total population would constitute a qualified majority. Using their considerable powers of persuasion, France and Germany succeeded in including this new voting formula in the convention’s Draft Constitutional Treaty.

The ensuing intergovernmental conference to conclude the Constitutional Treaty began in late 2003. For Spain and Poland, this was an opportunity to try to preserve the Nice agreement on voting weights, which was extremely advantageous to them. For their part, France and Germany were determined to scrap the Nice arrangement in favour of the proposed double majority system. The intensity of the disagreement over QMV caused a breakdown of negotiations in December 2003. Changes of government in Spain and Poland (for reasons unrelated to the negotiations) improved the new rule’s chances of success. Seeking to signal a more accommodating attitude towards the EU, the two countries’ new governments were willing to compromise on the proposed voting system. The new double majority was set at 55 per cent of the member states and 65 per cent of the population, making it easier for countries to form a blocking minority but without allowing the three biggest member states to do so by themselves. Agreement on the Constitutional Treaty was finally reached in June 2004.

Following its rejection by French and Dutch voters in mid-2005, national leaders decided to salvage as much as possible of the Constitutional Treaty in a new ‘Reform Treaty’. That necessitated another intergovernmental conference, which gave Poland’s then-Eurosceptical government another chance to reopen negotiations on the double majority formula for QMV. This became a major sticking point at the June 2007 summit, where EU leaders had hoped to reach agreement on key changes to the treaty. Under intense pressure from almost every other national leader, the Eurosceptical Polish government finally dropped its opposition to the double majority system in return for an agreement to delay its entry into force until 2014. Although it seemed that all the difficulties had been resolved, a summit held in October 2007 to formally conclude the intergovernmental conference was not without drama. A number of sensitive issues had arisen since the previous summit. Foremost among them was yet another Polish demand for clarification of the provisions on majority voting. Eventually, the European Council found a formulation that everyone could live with, thereby paving the way for what became the Lisbon Treaty (EurActiv 2007).

The protracted struggle over the double majority system demonstrates the depth of feeling among national leaders on the question of QMV. It also shows how deeply ingrained the big–small
country divide is in the EU. Even though voting does not always take place in the Council, the fact that votes may be called casts a long shadow over Council deliberations. The possibility of being outvoted, even if it never comes to pass, has a powerful effect on governments’ behaviour. The implementation in 2014 of the Lisbon Treaty formula for QMV is a highly significant development for the EU political system.

The Parliament

Of the EU’s three everyday decision-making institutions, the EP has experienced the greatest change over time. Originally the Parliament had no power, apart from moral suasion (the EP has always cast itself as the conscience of the EU), nor were its members directly elected. Instead, national parliaments nominated their own members to sit in the EP. The size of each national delegation was (and still is) set out in the founding treaties – frequently amended – and the accession treaties of the EU.

The Rome Treaty of 1957, which established the European Community, called for direct elections to the EP but left it up to national governments to decide when and how these elections would take place. Governments’ various positions on direct elections reflected national preferences for deeper integration along supranational lines – the EP being seen as a supranational institution and elections being perceived as a way to strengthen the body’s legitimacy and possibly its power as well. Accordingly, Germany and Italy (countries more comfortable with supranationality) strongly supported direct elections, whereas Britain and France (more comfortable with intergovernmental cooperation) opposed the switch to direct elections, in practice if not in principle. It was only in the mid-1970s that the European Council agreed on a system of direct elections, partly in response to the launch of the European Council itself, which strengthened intergovernmentalism. The first direct elections took place in 1979; elections have taken place every five years since then.

Even before the advent of direct elections, governments had given the EP a certain degree of power over the annual budget. Following a transitional period, when it was funded by national contributions, the European Community acquired its ‘own resources’, consisting of duties from agricultural and industrial imports that, under the terms of the treaties, flowed directly to the EC budget rather than to national budgets. With the advent of its own resources, it seemed reasonable to transfer budgetary authority from national parliaments to the EP in order to complement the transfer of funds from national budgets to the Community’s budget. These changes took place in two treaty reforms in 1970 and 1975 (Knudsen 2012).

Emboldened by the advent of direct elections, the EP, with the support of sympathetic governments, pressed for additional power, especially in legislative decision-making. Already, the EP played a perfunctory role through a procedure that required the Council to consult it on legislative proposals from the Commission. The EP wanted nothing less than to become an equal partner of the Council by means of legislative co-decision. From the first direct elections in 1979 to the Amsterdam Treaty in 1997, it took 20 years for the EP to achieve its goal of establishing a truly equitable co-decision procedure; in the process, it managed to abolish (except in a few exceptional cases) the old consultation procedure and an intermediary cooperation procedure that had been introduced by the SEA.

The EP’s success was due to determined leadership on the part of successive presidents and vice-presidents, committee chairs and heads of political groups. Whereas the EP as a whole is a large, diverse and cumbersome body, its leadership is small, cohesive and institutionally ambitious. The EP also had logic on its side: the logic of representative democracy. As the only
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directly elected institution at the European level, the EP exploited widespread concern about
the EU’s democratic deficit to push relentlessly for more power. Only by giving more power
to the directly elected EP, its leadership argued, could the EU hope to assuage public complaints
about lack of political legitimacy at the European level.

With the support of genuinely enthusiastic or at least conscious-stricken national governments,
the EP has succeeded during successive rounds of treaty change (beginning with the SEA and
continuing through the Lisbon Treaty) in greatly expanding its role and responsibilities.
Moreover, the EP has been adept at exploiting opportunities provided in the treaties to
maximize its political power. Having budgetary authority allows the EP to influence outcomes
in policy areas and on institutional issues in which it is not directly involved or has only limited
involvement. For instance, the Lisbon Treaty required the Council to consult the EP about the
establishment of the European External Action Service. In this case, the EP had considerable
leverage because the budget for the service was subject to its approval. The Council viewed
the budget as a mere technicality, but the EP was determined to influence the shape and structure
of the new service, which it did in a number of ways.

Members of the European Parliament (MEPs) differ in terms of nationality, ideology and
political affiliation, but apart from a small minority of Eurosceptics who oppose the EP and the
political system of which it is a part, they share a commitment to the institution and a desire
to increase its formal and informal power. This is the case not only for budgetary and legislative
decision-making, but also for oversight and scrutiny, core responsibilities of most democratic
legislatures. The way in which the EP asserted its right to scrutinize the Commission and the
consequences of the EP–Commission battle over accountability are discussed on pp. 213–215.

MEPs sit not according to nationality, but according to their political group membership.
The political groups, most of which are affiliated with pan-European political parties, represent
the spectrum of opinion in the EU. The two largest groups are the centre-right European People’s
Party (EPP) and the centre-left Progressive Alliance of Socialists and Democrats (S&D), with
the EPP in the ascendant group after the 2009 elections. Just as there is no EU government,
there is no EU governing party or coalition of parties. Although the majority of European Council
members currently belong to the EPP, and the EPP forms the largest group in the EP, the EPP
does not govern the EU, although under the circumstances EU policies tend to reflect EPP
preferences. (Coming mostly from national political backgrounds, members of the Commission
also have European-level political affiliations, but they are not as engaged politically as are members
of the European Council and MEPs.)

The size of the EP has changed considerably over time, reflecting successive EU enlargements.
The Lisbon Treaty limits the EP to 751 members. The allocation of seats follows the principle
of degressive proportionality, with a minimum threshold of 6 (Malta) and a maximum threshold
of 96 (Germany) seats per member state. Paradoxically, small member states are relatively over-
represented in the EP, but have few MEPs. Although the big–small member state divide is not
as prevalent in the EP as it is in other institutions, not least because MEPs sit in transnational
political groups and not according to nationality, small member states tend to have less of an
affinity with the EP than large member states with substantial national delegations.

Inter-institutional dynamics

EU institutions engage with each other in a number of formal and informal ways. Corridor
conversations among officials and politicians are often just as important as what takes place during
meetings and summits. Outside the narrow confines of the institutions themselves, a supporting
cast of national officials and parliamentarians, lobbyists, journalists, academics and others flesh
The political system of the European Union

out the EU political system. Although Brussels is the situational centre of the EU system, Luxembourg and Strasbourg – the two other centres of the EU’s constitutional geography – and the national capitals are key locations as well.

The fact that national leaders and their immediate subordinates (national ministers) constitute the European Council and the Council, respectively, means that there is an organic link between the two institutions. National leaders and their ministers liaise continuously in national capitals on agenda items coming before the Council and the European Council. In addition, the European Council president works closely with the General Affairs Council, the Council formation charged with coordinating the work of most of the other formations. The Council Secretariat, which serves both the European Council and the Council, forms another bond between the two bodies.

The presence of the Commission president in the European Council provides an organic link between the Commission and the European Council (Fernández Pasarin 2011). Despite the inherent institutional tension in their relationship over who exactly represents the EU, Van Rompuy and Barroso work well together. Individual commissioners attend meetings of the various Council formations, and Commission officials participate in Council preparatory and working groups, thereby ensuring close Council–Commission communication throughout the legislative and other decision-making processes.

Oversight, accountability and scrutiny

As noted above, the EP president does not attend meetings of the European Council, but the President of the European Council and the leader and other ministers of the country in the rotating Council presidency deliver regular reports to the EP. These occasions provide an opportunity to elicit more information than is otherwise available about the conduct of the European Council and the Council; they also allow the EP to assert its self-proclaimed right to parliamentary oversight of the two bodies. The EP and its political groups have been sharply critical of Van Rompuy for what they see as his acquiescence in Franco-German or sole German dominance of the European Council – except for the EPP, to which the current German chancellor and the European Council president belong.

The EP has stronger and highly formal powers of scrutiny over the Commission, including holding hearings and taking votes on commissioners-designate. Governments have withdrawn commissioners-designate following critical hearings and votes in the EP. At the same time, the EP has focused increasing attention on the selection of the Commission president.

Barroso, who became Commission president in 2004, was reappointed while the Lisbon Treaty was being ratified in 2009. In an effort to strengthen the Commission (and the Commission president’s) weak legitimacy, the Lisbon Treaty required the European Council to take ‘into account’ the outcome of European Parliament elections and to hold ‘appropriate consultations’ with the EP before designating the candidate for Commission president. Although the treaty was not yet in force when it was time to appoint a new Commission president, the ever-assertive EP pressed the European Council to abide by the Lisbon Treaty rules. Given that the EPP, to which Barroso belongs, had won the largest number of seats in the June 2009 elections, the European Council could fairly claim to have taken into account the outcome of the elections.

That did not satisfy some MEPs, especially those from the S&D and Green groups, who opposed Barroso for his liberal economic philosophy and his alleged cosiness with big business. They claimed that pushing through Barroso’s candidacy without due consultation with the EP was a violation of democratic principles. In any case, Barroso convincingly won the vote on his reappointment in September 2009, although by a smaller margin than in 2004.
The Commission president and the other commissioners appear regularly before EP plenary sessions and committee meetings, where they often face withering criticism from MEPs. As in the case of EP encounters with the European Council president and the Council presidency, exchanges between commissioners and MEPs are often politically charged. Because he is also a member of the EPP, Barroso tends to face tougher questioning from the rival S&D, Liberal and other political groups.

The Commission as a whole is accountable to the EP, which may vote the college out of office by a two-thirds majority of the total number of MEPs. This high threshold reflects the seriousness of the censure procedure, long known as the ‘nuclear option’ in Commission–EP relations. In keeping with the doctrine of mutually assured destruction, the Commission had long presumed that the EP would never press the button. That changed dramatically in March 1999, when a bitter struggle between the Commission and the EP recast the relationship between the two institutions (Dinan 2000; Priestley 2008).

The conflict erupted following a series of skirmishes over the previous 12 months in which the EP became increasingly critical of the Commission’s management of the budget. At one point in 1998, the EP threatened the Commission with censure. The EP held its fire, but MEPs became angrier over the course of the year as additional allegations emerged of fraud and financial mismanagement in the Commission. Commission President Jacques Santer was never accused of financial impropriety, but he failed to act decisively against the commissioners who were. The most conspicuous was Edith Cresson, a former prime minister of France who allegedly awarded a contract to a friend who was unqualified to carry out the work. The EP demanded Cresson’s resignation. Cresson refused to step down; the French government backed her to the end, and Santer lacked the authority to dismiss her.

The prospect of a Commission–EP showdown kept Brussels in a tizzy. There was little public sympathy for either side, although the EP held the moral high ground against an apparently feckless and wasteful Commission. Lacking flair and largely unknown outside Brussels, Santer was an easy target for media and public scorn. Eager to avoid an inter-institutional confrontation, some national politicians urged MEPs to drop the matter. EPP politicians were especially concerned about the vulnerability of Santer, a Christian Democrat, to partisan attacks from the Socialist group. By late 1998, however, the issue had transcended party politics. Regardless of their party affiliation, most MEPs were too incensed to back down; they wanted to put the Commission in its place.

Nevertheless, the Commission escaped censure in January 1999 when the EP failed to muster the necessary two-thirds majority. The EP decided instead, with the Commission’s agreement, to establish a committee of independent experts to investigate the allegations. The committee’s report, published in March 1999, was damning (Committee of Independent Experts 1999). Once the EP had made it clear that the Commission would not survive another censure motion, Santer accepted the inevitable, and the Commission resigned as a body.

Far from being the result of a calculated parliamentary manoeuvre, the Commission’s collapse was the culmination of a series of mistakes and misjudgements on both sides. However, the widespread perception was that the EP, acting strategically, had finally come of age and asserted its authority over the incompetent Commission. As perception shapes political reality, the events of early 1999 represented a major advance for the EP. In principle, the Commission had always been accountable to the Parliament; now it had to behave accordingly in practice.

The confrontation between the Commission and the EP strengthened the EU political system by striking a new institutional balance and forcing the Commission to undertake serious
internal reform, but it weakened public support for the EU as a whole. However entertaining, inter-institutional squabbles in Brussels and Strasbourg seemed irrelevant to the real concerns of most Europeans. In the end, the EP did not reap the reward for its victory that it most coveted: a large turnout in the June 1999 elections (the turnout in direct elections has been in steady decline since 1979).

Legislative decision-making

The pedestrian-sounding ordinary legislative procedure – the mechanism for legislative co-decision between the Council and the EP – is the main venue for interaction among the Commission, the Council and the EP. The legislative process begins well before the Commission submits a formal proposal, with consultation among Commission, Council and EP representatives as well as intense lobbying for and against the putative proposal by interest groups. If and when a proposal emerges from the Commission, it is sent to the Council and the EP. Following the implementation of the Lisbon Treaty, it is also forwarded to the national parliaments of the member states (see p. 216).

As in any liberal-democratic system, the objective of legislative decision-making in the EU is to balance efficiency and democracy in the pursuit of sound public policy. The inherent complexity of the EU system, a fusion of 28 national political cultures that uses 24 official languages, would suggest that legislative decision-making could not possibly be efficient. Indeed, the EU is caricatured by Eurosceptics as a confusion of tongues and a maze of rules and procedures where decision-making is inordinately time-consuming and decisions are invariably sub-standard.

In fact, EU decision-making is surprisingly efficient and intelligent, not least because of the organization’s efforts to counter pervasive criticism (Dinan 2012). The EP, the butt of many jokes about the EU’s ineffectiveness and the object of searing media attacks, has made impressive efforts to move proposals quickly and competently through the labyrinthine legislative procedure. The submission of a Commission proposal to the Council and the EP triggers the procedure, which can involve three readings, culminating in a conciliation committee to reconcile divergent Council and EP positions. Both institutions must approve the ensuing compromise text (if any) in order for the legislation to be enacted.

Legislative proposals rarely reach the third reading stage, and the Council and the EP seldom reject a draft text that comes out of the conciliation committee. Instead, the Council and EP increasingly reach agreement at the end of the first-reading stage, thereby greatly enhancing the efficiency of legislative decision-making. Pressure on the EP, the larger and intrinsically more fractious of the two legislative bodies, is particularly intense.

Martin Schulz made an intriguing reference to the ordinary legislative procedure during his inaugural speech as EP president in January 2012: ‘If our Parliament is to become more visible, if greater attention is to be paid to its views, a rethink of the issue of first-reading agreements is also essential’ (Schulz 2012b). Schulz was referring to the fact that the number of first-reading agreements on legislative proposals from the Commission stood at 80 per cent of all cases (Europolitics 2012). He was also acknowledging that the proliferation of first-reading agreements (which involve intense negotiations among representatives of the Commission, the Council presidency and the EP in so-called ‘trilogies’) came at a political cost. Many MEPs resented what they saw as the exclusive involvement of a small number of their colleagues in the decision-making process, as well as the lack of opportunity for the EP as a whole to have a meaningful say in important public policy issues. An academic assessment of first-reading or ‘early’ agreements refers to the phenomenon as ‘secluded decision-making’ (Reh et al. 2013). In 2012,
dissatisfaction among MEPs over the prevalence and conduct of first-reading agreements resulted in a potentially significant change in the EP’s rules of procedure, aimed at making such agreements more transparent and participatory (European Parliament 2012).

The extent of the EP’s involvement in the informal pre-proposal stage of legislative decision-making is an important factor in the discussion about inclusiveness and deliberation. The EP’s pre-legislative work includes own-initiative reports, expert studies, hearings and consultations. Extensive EP involvement in the pre-proposal stage depends to a great extent on the policy field in question. The nature of the Eurozone crisis, which required rapid decision-making, precluded the possibility of leisurely Commission–Council–EP legislative planning. This, in turn, fuelled the frustration of many MEPs (including Schulz) over what looked like *diktats* from the European Council to enact legislation as quickly as possible in response to the escalating crisis. In particular, such frustration emerged during the enactment in 2011 of the ‘Six Pack’ of legislative proposals to strengthen the Stability and Growth Pact. Extreme pressure on the EP to reach an early agreement accelerated moves to revise the rules of procedure on secluded decision-making. Whether the new rules will allay MEPs’ concerns, improve transparency and participation, and strengthen the quality of legislative outcomes remains to be seen.

**National parliaments**

No discussion of the EU political system would be complete without mention of the role of national parliaments. Sensitive to citizen concerns about the democratic deficit, EU leaders have long grappled with the declining power of national parliaments in the EU system, an inevitable result of more and more legislation being enacted by the Council and the EP rather than by national governments and national parliaments. As long ago as 1997, national leaders included in the Amsterdam Treaty provisions to augment the involvement of national parliaments in EU affairs. Going far beyond that, the Lisbon Treaty gave national parliaments a voice in EU-level legislative decision-making by making them the gatekeepers of the subsidiarity principle. Specifically, if a significant number of national parliaments object to a legislative proposal on the grounds that action is not warranted at the EU level, the Commission is obliged to withdraw the proposal in question.

National parliaments across the EU differ greatly in terms of their interest in EU affairs and their ability to evaluate the Commission’s legislative proposals. Inevitably, some national parliaments are far more active and resourceful than others. Although national parliaments have a liaison office in Brussels, they do not yet collaborate closely or effectively. Nevertheless, the potential for national parliaments to play a larger role in the EU legislative process is considerable.

Apart from legislative decision-making, national parliaments have always been involved in EU affairs, as in most cases they are responsible for ratifying changes to the existing treaties (as well as accession treaties) in each member state. National parliaments are also required to ratify other international agreements pertaining to the EU. For instance, the European Financial Stability Facility (the temporary Eurozone bailout fund) was an intergovernmental instrument whose establishment and modification required parliamentary approval in all member states. In October 2011, popular opposition in Slovakia to participation in the fund, in combination with political opportunism, resulted in the Slovak parliament’s rejection of the EU agreement to bolster the rescue fund, which the other member states had already approved. The government won the second vote with the help of the main opposition party, whose support was conditional on the general election being brought forward to March 2012. The Slovak saga was a colourful example of the interplay of EU and national-level politics during the Eurozone crisis.
The Slovak case illustrates the increasing prominence of national parliaments in EU governance. The influence of these institutions now extends far beyond subsidiarity enforcement, due in large part to the unfolding Eurozone crisis. The impact of the crisis on national political and parliamentary life has been wide-ranging. The composition of national parliaments, and therefore of national governments, has changed in several member states because of elections whose outcome depended to some extent on the crisis. Governments have changed in other member states, not following elections, but because of the fallout from the crisis. As Van Rompuy remarked, ‘[t]hese are all signs of how European and national politics are now woven together ever more tightly’ in the EU political system (Council 2012: 5).

Conclusion

The political system of the EU is complex and multifaceted, involving national and EU-level institutions, as well as the participation of non-governmental actors. The EU political system envelops and supports a unique model of governance that nonetheless lacks a definable government. National, sub-national and supranational entities work together to produce legislation and regulation in a wide variety of policy fields, collectively comprising EU governance. The system owes its origin and development to grand bargains among member states at key constitutive moments in EU history, inter-institutional agreements and precedents in everyday policy-making. The successive enlargement of the EU has introduced many more actors into the system, raising concerns about institutional sclerosis that internal institutional reforms and treaty changes from Amsterdam to Lisbon have attempted to address. Despite these measures, the EU political system remains complicated and difficult to understand. Most national political systems are complicated as well, but citizens are more familiar with them – and less frightened of them. It is the uniqueness rather than the complexity of the EU that generates citizens’ concerns and fuels exaggerated but politically consequential claims about the existence of a debilitating democratic deficit in the EU political system.

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