



CENTRE FOR EUROPEAN REFORM

policy brief

Restoring leadership to the European Council

By Charles Grant

EVERYBODY KNOWS THE European Commission is in bad need of reform. The problems in the European Council – the regular summits of heads of government – and the Council of Ministers are less widely known but just as serious, and they contribute to Europe's current lack of leadership. In June the EU's Seville summit will discuss modest changes to the working of these institutions. However, more fundamental reforms require changes to the treaties. A Convention on the future of the EU, presided over by Valéry Giscard d'Estaing, has begun to discuss such long-term reforms. This article offers some advice to the Seville summit and to the Convention.

In 1974 it was Giscard, then the French president, who invented the European Council. As the EU's supreme authority, it has proved decisive on subjects such as the creation of the euro, EU enlargement and revisions of the treaties. It includes the president of the European Commission and now meets every three months.

The presidency of the European Council shifts from one EU government to another every six months. The rotating presidency also chairs the 16 sectoral formations of the Council of Ministers (the trade ministers, the environment ministers, and so on), as well as the hundreds of committees and working groups made up of officials. The Council of Ministers secretariat, an obscure Brussels-based civil service, prepares the paperwork for all these meetings.

The point of the European Council is to allow prime ministers to think about big, long-term issues, in an informal atmosphere. But these days it seldom fulfils that role. The Barcelona summit this March was not as embarrassing as the Laeken summit of December 2001, when prime ministers shouted abuse at each other over the siting of a food safety agency. Worse still was the Nice summit of December 2000, which dragged on for four days and nights because of a Franco-German rift on voting rules.

The rotating presidency and the General Affairs Council (the GAC, consisting of the foreign ministers) have the joint task of preparing summits and should ensure that the heads of government deal with only the crucial subjects. However, the foreign ministers have to struggle with world events as much as the EU's general business and are usually more interested in the former. So they are failing to prepare summits properly.

Meanwhile the institution of the rotating presidency is rapidly losing credibility. Too often, the government with the presidency pushes its own pet projects at the expense of Europe's broader interests. The job of representing the Union externally is a particular problem: countries outside the EU complain about having to deal with new sets of priorities and personnel every six months. Presidencies also suffer from overload, even when held by a large country. The country with the presidency has to chair every EU meeting as well as plan summits and represent its own national interest, and the key officials sometimes cannot cope.

BECAUSE SUMMITS ARE UNDER-prepared, many disputes on minor matters go to the prime ministers for resolution. But they cannot always settle them: by tradition, decisions of the European Council require unanimity. For example the Laeken summit tried and failed to resolve arguments over an EU patent and the Galileo satellite project.

Each summit also has to approve a swathe of reports and documents that will not have been read. The prime ministers spend a lot of time revising the summit conclusions, which often bear little relation to their discussions. These conclusions, which tend to cover every conceivable problem in every part of the world and often run to novella length, have a quasi-judicial status. With hundreds of officials milling around, the intimacy and informality of Giscard's original concept is lost. Enlargement will bring another ten delegations to each meeting, making them even more cumbersome.

A more general problem is that the Council of Ministers and the Commission remain disconnected. Sharing responsibility for the EU's executive action, each wastes energy on turf wars with the other. The lack of co-ordination between the two makes it hard for the EU to produce coherent policies, especially in foreign affairs. There is a danger that theological disputes between 'inter-governmentalists', who favour a stronger Council, and fans of the 'supranational' approach, who want a bigger role for the Commission and Parliament, will dominate the Convention. Delegates to the Convention should search for ways of getting the various institutions to work more closely together, in a pragmatic, results-driven spirit.

Encouragingly, many governments now recognise that the European Council, the Council of Ministers and the presidency need reform. In February, Tony Blair and Gerhard Schröder jointly proposed a series of sensible changes, including the introduction of qualified majority voting (QMV) in the European Council for those matters which the Council of Ministers already decides by QMV. This would apply, for example, to issues such as energy liberalisation or some reforms of EU farm policy. If they feared being out-voted at a high-profile summit, prime ministers might become more willing to agree to compromises and trade-offs.

IN A SIMILAR VEIN, JAVIER SOLANA who is both secretary-general of the Council of Ministers

to take on colleagues in sectoral councils. These ministers should spend a part of their week in Brussels, which would help them to develop a better relationship with the Commission.

One of the problems with a new GAC, especially post-enlargement, would be its size. Can a body of 25 or more ministers act effectively? It should be possible to curb the problem of over-crowding by allowing only one official per minister in the chamber. And the system of *tours de table*, whereby each minister is expected to speak on each issue, should end.

Perhaps because of worries about the GAC's size, Jack Straw, the British foreign secretary, has floated the idea of creating another new body. In a speech delivered in the Hague last February, he suggested cutting the number of sectoral councils to ten. The ministers of each council would elect one of their number as chairman. The ten chairmen 'could work together as a steering group, in effect a sort of team presidency, to ensure that the strategic direction given by the European Council was followed through,' he said.

There are two problems with this idea. One is legitimacy: with only ten ministers sitting on the steering group, and some countries not represented, it would probably lack the authority to knock heads together and impose its wishes on other councils. The other problem is that Straw appears to envisage the steering group operating alongside a reformed GAC. Even if their respective tasks were clearly defined, the two bodies would surely be rivals. However, Straw is right to propose the abolition of the rotating presidency. That, unlike the creation of a new GAC, would require treaty change.

One kind of rivalry that is inevitable is that between any new, over-arching council and the finance ministers. Their council, 'Ecofin', has become increasingly influential with the coming of the euro. In reality, finance ministers such as Gordon Brown, Laurent Fabius and Hans Eichel will not want a new GAC to co-ordinate their policies with those of other councils.

Ecofin's 'super-council' status should be recognised, alongside that of the new GAC. A third super-council should be for foreign affairs. Freed of their general responsibilities, the foreign ministers could focus exclusively on foreign policy. The fourth and final super-council should be that of the interior ministers, who cover the expanding dossiers of 'justice and home affairs' (JHA).

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The new GAC, Ecofin and the JHA council should each elect one of their number as chairman, for a period of say two-and-a-half years. The chair of Ecofin should also sit in the Euro Group, the informal ministerial council for euro business, to ensure smooth links between the two bodies. If the Euro Group becomes a formal institution, it should report to the European Council through Ecofin, in which all its ministers sit.

The foreign affairs council, however, needs a full-time external representative. Therefore the High Representative, who is appointed by the heads of government, should chair the foreign ministers' meetings. He should also assume the external functions of the rotating presidency.

A key task for the super-councils should be to prepare meetings of the European Council, with the onus on ensuring that heads of government deal with the minimum of paperwork. Between meetings of the European Council, the super-councils should ensure that the Union follows a clear and coherent strategy. The European Council would have to sort out any disputes among the four super-councils – but that is an advance on the current situation, when a summit may have to deal with the problems of up to 16 councils.

THE EXISTING SECTORAL councils would become 'sub-councils'. The GAC would co-ordinate their work, except when financial issues were to the fore, when Ecofin would do the job. The super-councils should have the power to ensure that the decisions of sub-councils were consistent and, if necessary, to over-rule them. The chairmen of the super-councils should become formal members of the European Council. They and the Commission president would be the transmission channels for implementing summit decisions and guidelines.

The Commission needs to be intimately involved in the Council of Ministers' decision-making procedures, so that it works with rather than against it. Therefore the relevant commissioner – for agriculture, social affairs or whatever – should chair each sub-council. However, the Commission has little role in military matters, so the defence ministers should elect one of their number as chairman of their sub-council, which would report to the foreign ministers.

Some smaller countries have reservations about the idea of abolishing the rotating presidency,

particularly in the realm of foreign policy. They worry that if Solana took over the presidency's role, the big countries would gain influence at the expense of the small ones. This would be because, in practice, Solana talks more to the big countries than the small ones.

The smaller member-states do need to be reassured that their interests, and those of the EU as a whole, are taken into account. They regard the Commission as their protector. Therefore the commissioner for external relations – currently Chris Patten – should become the High Representative's deputy. Legally, he or she would remain a member of the Commission. But he would have an office next to the High Representative and work very closely with him. Given their likely travel schedules, it would be useful if one of them were in Brussels to chair the foreign affairs council. Such an arrangement should lead to better co-ordination between the inter-governmental and Commission sides of EU foreign policy.

WHO SHOULD CHAIR THE European Council? Jacques Chirac wants the heads of

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government to elect a senior figure – such as a former prime minister – as 'European President'. Tony Blair is sympathetic. Chirac argues that in a crisis, the EU lacks a credible figure to speak for it at the highest level, as the equal of Bush or Putin; and that such a president would show that democratically elected governments, represented in the European Council, were in charge.

However, the Commission already has a president and the creation of another might lead to confusion and rivalry among the institutions. The European President would also be likely to compete against the

High Representative. In any case, the smaller countries and Germany see this idea as an attempt to weaken the Commission and may well block it.

The heads of government should think seriously about allowing the next Commission president, due to take office in January 2005, to chair the European Council. So long as they, rather than the Parliament, continue to choose the Commission president, the heads of government could probably accept a more prominent role for this figure. Such a change would help to ensure that the various EU institutions pulled together.

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