

Thoughts on Improving EU Governance

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Communication about the EU is often shrouded in mystery. Maybe it would be easier to comprehend if we used a nautical metaphor. The EU is in many ways like an ocean liner. To plot its course, it must know where it is going, who is on the bridge and who is in charge in times normal and even more so in stormy weather. The noise and heat of the Engine Room can be deafening and confusing. There are constant trade-offs to be made between speed, reliability, and the cost of fuel. Without a functioning communication system, the ship cannot inform the world of its progress, nor can it learn of approaching storms or other dangers. And there is the crew: it must be well trained, competent, and dedicated.

The EU is changing before our eyes, and we need to rethink parts of its governance. The institutional change-over in 2024 provides a good opportunity to do that. Streamlining EU governance is key to improving its efficiency and gaining credibility and popular support.

We asked close to one hundred EU policy specialists with various backgrounds to answer a questionnaire on ‘Strategy and priority-setting,’ ‘Structures,’ ‘Working methods and red tape,’ and ‘Communication.’¹ Our focus is on adjustments short of treaty change. Most of our interlocutors agreed with this stance, but there were also dissenting voices. As one expert remarked: “The small reforms we are talking about here are simple, blurring the

¹ Most of our interlocutors preferred not to be named. We have therefore opted for a Chatham House approach at this stage. This is our paper, reflecting our take based on the consultations. Many of the comments we received relate to the themes we will develop in our autumn paper. We do not exclude to attach to the latter short nominal contributions from experts who accept to be named.

minds and creating an illusion that change in procedures can resolve fundamental governance and legitimacy deficits....”

We do not rule out treaty change and more important institutional reforms over time. But there is no appetite presently for a major debate about treaty change with a Convention and a long negotiation process. Waiting for such a process to bring about much needed governance adjustments would be a mistake. Instead, improving governance now may well lead to more ambitious reforms once the conditions are right or the outside circumstances dictate a much more radical overhaul of the EU.

For fifteen years, the EU has confronted major crises and managed them surprisingly well. Its responses have led to more integration across a wide range of policies. But this has happened in a chaotic and improvised way, and the time has come to draw conclusions from this. We need a different mindset that looks at the world as it is and reflects on our place on the global chessboard. We also need a method for transforming reactive crisis management into a more structured and strategic approach. And we need a better governance model to run the institutions and to manage relations between Brussels and the Member States.

Governance issues will require continuous attention over the whole next institutional cycle, including in the framework of negotiations on the 2029-2034 MFF and in the preparation for future enlargements. The challenges faced by modern democracies are even more difficult for a union of States and peoples, with diverse levels of integration and a wide web of institutions, agencies and

national administrations, We will address themes such as financing, administration and communication in a follow-up study in the autumn.

But for now, we will focus on urgent organisational questions that require responses in the initial stages of the institutional change-over. Orientations taken by the incumbent new leaders on the implementation of the Strategic Agenda, the Commission's internal structures and the external representation of the EU will have lasting effects on the future governance of the EU.²

Here are three simple ideas we would submit for consideration and which we develop in the paper:

1. Always bear in mind the global picture and the need to transform the pursuit of the objectives outlined in the Strategic Agenda for 2024-29 into a team effort between all the institutions and the Member States, under the political guidance of the European Council.
2. Structures matter. This is true for all institutions. Here we focus on the Commission as the engine room of the European Union. Its President should consult the other institutions on a blueprint for the college's set-up, but not "negotiate" with them; it is her ultimate responsibility as head of an institution whose independence is anchored in the treaties.
3. External representation of the EU has long been a headache. Tensions between the key institutional players in Brussels (President of the European Council, President of the Commission and High Representative) are a luxury the EU cannot afford anymore. The new team should find a satisfactory division of labour between themselves and work as a team.

Governance is of course much more than this, and we will tackle broader issues in a more extensive study in the autumn.

² Our focus here is on the European Council and the Council as well as the Commission. These are the institutions we know best. And it is not possible to be exhaustive in a short paper like this one. But governance of course is also an issue for the European Parliament and other institutions.

Strategy and Priority Setting

The Union sometimes disappears into a fragmented landscape of players and different constituencies. It is exceedingly difficult even for insiders, let alone for the public, to distinguish the wood for the trees. That is why political guidance, and a sense of direction are so important. This is the idea behind the Strategic Agenda for 2024-29 adopted by the European Council at the end of June. The challenge will be to transform its general outline into operational policies underpinned by a clear sense of purpose.

Such documents negotiated at 27 easily turn into wish-lists that try to please all constituencies. One would have liked a stronger recognition of the urgency of changing gear at a time of mounting dangers, along with a more acute highlighting of the need to set priorities and find the right balance between conflicting objectives. But the Strategic Agenda is part of a process, not its end. We cannot judge it based on this one document. Its broad objectives will have to be developed and fine-tuned, and choices will have to be made between conflicting demands. The question of linking policy objectives to financing and resources will require a lot more work.

The following suggestions could help in this respect:

- Council, Commission and European Parliament should jointly commit to working together towards achieving the general objectives and hold regular stock taking exercises to transform the agenda into a living document.
- The European Council should regularly review the state of implementation. The President could propose to resume to the *Leaders' Agenda* approach that President Tusk developed after the Bratislava informal summit in 2017 and which allowed for regular strategic debates about key themes without adopting conclusions.³ This was also an excellent communication tool.
- All Council formations should reflect on how they can best contribute to implementing the Strategic agenda. This could feed into a General Affairs Council report to the EUCO.

³ But the oral conclusions of the PEC at the end of such debates were then reflected in the conclusions of subsequent European Council meetings.



- The Commission’s legislative programme will be key; the Commission is best placed to set out how to go about translating political objectives into operational policies. It should consult extensively with the other institutions before adopting it.
- At the end of each European Council meeting, the President of the Commission, the member representing the rotating Presidency and the HR should briefly indicate how they intend to follow up on the EUCO conclusions.⁴
- EUCO conclusions could from time to time include a short section providing feedback on operational achievements/ shortcomings of in the implementation of previous conclusions. This should be done in a factual way, without any self-congratulatory rhetoric.
- The EUCO should set out clear tasking and mandates, including on who should do what and when. It should do this in an operational spirit, without empty rhetoric and grand promises.
- All actors should work on the follow up to the Letta and Draghi reports. The idea of the Hungarian Presidency to ask the Council configurations to discuss the Letta report is excellent. The GAC could establish a report to the European Council and the EP based on this input.
- The question arises whether it is possible to transform the “State of the Union” into a more meaningful exercise by involving not only the President of the Commission but also the President of the European Council.

One other thought. The European Council holds regular “strategic” discussions, but there are many participants, it happens not frequently enough, and there is a lot of publicity around it. Could the EU find a forum for discussing strategic issues in a secure environment? This is behind the idea launched in some quarters to establish a “European Security Council.” If this is modelled on the UN Security Council, it will not fly. In the EU context, it could only be a discussion forum, not a decision-making one. That is why it would be better to use a different term. This requires more thinking. This is also the case of the idea

⁴ NB: the GSC prepares a follow up note after each EUCO that is discussed in Coreper and in the General Affairs Council. It consults the Commission, the rotating Presidency and the EEAS on the draft note.

to attach to the European Council some form of advisory expert group. The problem with a formal structure is that it will lead to endless debates about who should sit in it.

For the time being at least, the best option is to have regular meetings between the key institutional players (including, when necessary, the Presidents of the European Central Bank and the Euro Group or other key players). This happened at the time of the subprime crisis. It would be good to do it on a regular basis. One idea would be to invite individual national leaders from time to time for issues they have a particular interest in or competence for (NB: not always the same!).

The New Commission Set-up

The Commission is the engine room of the EU. The way it organises itself is of major interest to the other institutions and the Member States. That is why it would be a clever idea for the Commission President to present a blueprint of the incoming college’s set-up to the European Council and the EP. That is not to say that this should be a “negotiation” with the other institutions. It is a matter for the President of the Commission to decide; she knows best what works within the Commission. There are good reasons why the Presidents of the Commission have over the years obtained more powers within the college.

The President’s task is complicated by the number of Commissioners; this makes collegiality more difficult to achieve, and it’s also not easy to find twenty-seven meaningful portfolios. In the longer term, and especially in view of future enlargements, the EU would be well advised to revert to the system outlined in the Lisbon Treaty but never applied, i.e., a smaller member of Commissioners than the number of MS and an equal rotating system. But that will be at the earliest for 2029. Meanwhile, President Von der Leyen must work with a large Commission.

General considerations:

- Layering: in a college of twenty-seven you need some layering. Introducing a distinction between senior and junior Commissioners is not a good idea as it would destroy collegiality. Using Vice-Presidents creatively

is a much better way to coordinate portfolios, to advise the President on key issues, to communicate key decisions. It is advisable to have only a small number of VPs. They should have clear mandates and responsibilities. Experience shows that to be effective Vice Presidents need to oversee a specific DG or service.

- The HR should have a prominent status as a Vice President, both because her post figures in the treaty and because of the EU's ambition to be a global player. She should ensure the coordination within the Commission of external relations in general. Creating geographical Commissioners can help, if there is adequate coordination by the HR.
- Security and Defence: the Commission will have to reflect on its own contribution to developing this field. We caution against creating a "Defence Commissioner" (or a "Defence DG") because the term is misleading. There is no Community competence in defence matters, it remains intergovernmental, and the Commission does not play its usual role here. Nominating a separate Defence Commissioner would also be at odds with the role of the HR as defined in the treaties. The key role for the Commission will be working towards a strong EU defence industry; this should be reflected in the denomination of a possible new Commission function (and a potential new DG).
- Migration is a key area with different facets. Migration and border controls clearly go together, but what about legal migration? Presently the people in charge of skills and labour issues and those dealing with migration seem to live in different worlds. Is there a way to bring them closer together? The link is obvious: without effective control of illegal migration, we cannot get to a reasonable and much needed debate about legal migration and Europe's changing demography.
- Regarding crisis management, which will be a major issue in the coming years, the Commission needs clearer structures and a comprehensive approach. The creation of a Crisis management DG could be an interesting idea. Another possibility is to build around ECHO and HOME, which play already prominent parts in crisis management. In any event, the responsible Commissioner (VP?) should be the clear leader in a crisis.

- The Commission plays a key role in communication. Various questions arise as to the way it does this: does it make sense to have a spokesperson for each Commissioner? Should the Commission not have a single Commissioner (VP?) serving as political *Porte-Parole*? Are the daily press briefings necessary?⁵ How can the Commission better distinguish between spinning and communication? Is it best placed to be "close to the citizen"?

External Representation

The EU wants to become a greater actor on the international scene, so its external representation matters more than ever. The very nature of the EU as a union of States and peoples and a complex institutional system exclude simple or simplistic solutions, but there is every reason to improve the functioning of the system and to avoid making things even more complicated than they already are.

The most important message at this stage is that the various institutional actors, and more particularly the President of the European Council, the President of the Commission and the HR must work together as a team. The rivalries between them of past years are detrimental to the interests and credibility of the EU. There is no EU President and there is no point in vying for a job that does not exist.

A quick word in this context on Prime Minister Orbán's so-called "peace mission". This is exactly the thing not to do, for three reasons: one, the rotating Presidency has no institutional role in representing the EU on the international scene. Secondly, even those who do, i.e. the Presidents of the European Council, the Commission and the HR, would need a mandate to launch such an important initiative in the name of the EU. And thirdly, Orbán's definition of "peace" clearly is not in line with EU positions.

⁵ Helmut Kohl asked this question. He thought it was madness, just inviting trouble, and creating the impression that the Commission is there to answer all the questions, including those where it has no competence.

Here are suggestions that could improve matters:

- In major international crises, the PEC is responsible for coordinating the EU's response and ensuring that all relevant actors and institutions as well as the Member States play their part as befits their competences. In dramatic crises such as the October 7 Hamas attack on Israel, the PEC should immediately convene a meeting (physical or virtual) of the European Council to frame the EU response. Premature and uncoordinated statements or initiatives by individual institutions or their leaders should be avoided at all costs.
- The PEC, assisted by the HR, ensures the external representation of the EU in CFSP matters. But the Commission represents the EU on all "Community" issues. Since summits with key partners and international gatherings usually deal with both types of issues, the dual representation of the EU makes sense, with the PEC being the leader of the EU team in view of the overall role of the European Council. The two Presidents should ensure a sensible and efficient division of labour between them.
- When the agenda is clearly CFSP or Community based, it would be intelligent to agree that only the PEC or the President of the Commission represent the EU. European over-representation often annoys our international partners, so gestures of this type would be appreciated and would increase the EU's credibility. In such cases, the HR should assist whoever leads the delegation as she can speak for either of the two Presidents because she chairs the Foreign Affairs Council and is a Vice President of the Commission. The HR should be given a key role in the field of external relations, both within the EU and in its representation.⁶

These are modest suggestions, but they reflect a new attitude that would enhance the EU's credibility and image.

One more word on the role of the HR. First, the way the function is described. A habit has taken root of referring to the "HR/VP". This is a misnomer. The treaty talks about the HR, and we should stick to that. It is one person with

three very distinct functions: chair of the Foreign Affairs Council, Vice President of the Commission, and the person in charge of running the CFSP (under the authority of the PEC). When Mr. Borrell chairs the Council, he does not do so as Vice President of the Commission. This may seem an anecdotal point, but it is not. Words matter: using a denomination that is misleading and does not reflect the nature of the job just confuses minds. Besides, HR/VP looks ridiculous to the outside world.

More importantly: the job of the HR has proven to be a difficult one, squeezed as he/she is between, the PEC, the President of the Commission the Member States. None of the HRs had good relations with both the PEC and the President of the Commission at the same time. And yet that is exactly what he/she needs to do the job: being the right hand to the PEC on CFSP matters and being the right hand of the President of the Commission in the college on external relations. It is important that the incoming HR considers these issues and that she has the full support of both Presidents. That is a precondition for functioning well. Then she will need to reflect on the functioning of the EEAS. This is potentially a powerful tool, but it has struggled to find its bearings. This is a point we will come back to in our autumn paper that will provide a much broader and more long-term look at governance issues.

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⁶ The review of the functioning and set-up of the EEAS merits a separate study.





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