Mission Unaccomplished Yet – The Task of the Incoming European Commission

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When Jean-Claude Juncker, the former Prime Minister of Luxembourg, became a candidate for Commission President on June 27, 2014, he proposed “a new start for Europe.” As citizens and politicians are becoming more and more skeptical of the growing power of distant European institutions, the incoming President pledged to do more where necessary and less where possible: “I want a European Union that is bigger and more ambitious on big things, and smaller and more modest on small things.”

This statement is an attempt to respond to the rising discontent with the influence of Brussels, which is increasingly blamed for unnecessary interference with almost all areas of national legislation and everyday life. Recently, European citizens confronted European leaders with significant opposition against two proposals, namely the European Commission’s approach to regulate water services, as well as the plan to ban serving oil in open glass jugs. “The weirdest decision since the legendary curvy cucumber regulation,” tweeted the New York Times.

No question, the impact of the European Parliament on national legislation has increased considerably, in fact, a large part of national laws originate in Brussels. And the areas where the European legislation has had little influence so far – education and social protection – are also no longer left alone.

Seeking to balance free trade and social protection in Europe, the EU encounters different national responses. For instance, France backs social harmonization at the EU level, yet Germany refuses all such attempts. For Germany, social security and national pension systems should remain in the sole competence of the Member States (as current EU laws require).

Another well-known example for an issue that should not be legislated at the EU level was the defeat of the proposal by the commissioner for justice, fundamental rights, and citizenship, Viviane Reding, to legislate a 40%-female quota for listed company boards across Europe. Her draft divided Brussels. Running into strong hostility from national governments, the 27 commissioners were unable to agree. The result was a diluted version, more suggestion than obligation, that turned the matter over to the Member States, which remain free to introduce measures that go beyond the proposed system.

Besides the need to overcome the financial and unemployment crisis in Europe, there is hardly any other issue that has triggered more debate as the question whether Europe needs more harmonization or more federalism. The controversial issue almost derailed Juncker. Seen by London initially as too federalist and therefore vehemently opposed by David Cameron, Juncker had to struggle for strong support by European lawmakers. However, he was finally elected by a comfortable majority of 422 votes in the 751-seat European Parliament.

The incoming president, honoring his promise of a fresh start, has set the stage for a shake up of the European administration and a more transparent organization. Seven Vice-Presidents, entrusted with specific tasks, will be in charge of priority projects and coordinate the work across the Commission. Juncker also created a powerful First Vice-President. His deputy, former Dutch foreign minister Frans Timmermans, will be in charge of Better Regulation. This shows that European leaders are still able to acknowledge the call for more accountability. The new Commission, especially Timmermans, is to cut back bureaucracy and strengthen the parliamentary component through closer cooperation with the national parliaments. So, as Juncker’s “right arm” watches over the subsidiary principle and makes the EU more effective, lost credibility could be restored.
Indeed, political mistrust within the EU is bigger today than ever before. “This is our last chance,” said Juncker regarding the rise of Eurosceptic parties in Europe. The founding- and enlargement-enthusiasm of European unification has passed and the new reality of rising Anti-Europeans, popping up like mushrooms, gives few illusions for an easy way to further European integration. Even though the European Union has long been considered an unprecedented success story, the idea has lost much of its splendor.

The EU was attractive economically and politically. Prosperity through a single market worked well and the desirability of a united Europe after the disaster of two world wars was not in doubt. Furthermore, economic vitality and political security met the challenges of global competition. And in 2004, when former communist countries joined the EU, the benefits of a free market, a free society, and the guarantee of not falling back into the Russian sphere were obvious. Yet since 2008/2009, when the financial crisis hit, the confidence in the benefits of the EU was shattered by serious doubts.

Europe today seems to be deadlocked over the right therapy of how to heal the Euro and how to re-energize Europe’s stumbling economy. There are never-ending debates about austerity or more public spending, bail-out or not, whether the EU has to move towards a looser structure or more harmonization. Given low outputs, rising debt burdens, remaining unemployment, and a weak recovery, these doubts are not blown away. With the trauma of the euro debt crisis still fresh in our minds, we might think that there would be a broad consensus on a closer monetary and banking union, but the truth is, Europe’s countries are also divided on this matter.

Northern European countries want the next Commission to push for greater implementation of the Single Market rules in diverse areas, such as digital technology, transport, insurance, and utilities. Southern European governments and generally the center-left in the European Parliament want relaxations in Euro zone debt rules. They want to lighten the burden of austerity measures in the hope that it would stimulate the economy and create new jobs. But fiscal conservatives in center-right northern countries oppose any increase in government spending. In their judgment, this effort would be largely wasted without radical structural reforms.

Therefore, Juncker’s first task will be finding a path through these conflicting interests and achieving convergence of views on the priorities to be tackled at the European level. Jobs and growth are on top of his agenda. He announced the mobilization of up to € 300 billion in additional public and private investment over the next three years. The focus of this huge boost would be in infrastructure, such as broadband and energy networks, as well as education, research and innovation. Yet even before taking office, objections to his plan emerged. Developing the EU’s internal market and focusing on trade agreements may provide a more effective boost to the European economy than any kind of public investment plan, said the Finnish Prime Minister.

Missions in Europe are never accomplished, it seems. Old debates are continuing in the new Commission. The big challenge for Europe’s new leaders is finding out how to get back on the path of prosperity and how to reach common goals despite differences and controversies.

Surely, the endless questioning whether the European Union (and/or the Euro) was a good or bad idea, is not the path forward. We have to get hands-on with issues we can resolve, and we have to do this with more confidence.

At the very least and until today, being a member in the European Union was a recipe for success and not for disaster. Not long ago, the European Union was dominated by the so called “enlargement debate”: all possible countries wanted to join. Juncker’s commission has no longer an enlargement portfolio. Its task has changed.

EuroPoint: November 1, 2014, the European Commission, the executive body of the European Union, is going to take office. Facing the aftermath of the financial crisis, a stagnating economy and rising Euroscepticism, the mission of incoming President Jean Claude Juncker is obvious: Restore prosperity in order to regain confidence in the European project despite the prevalence of controversial views!
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