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Ten years of Barroso's presidency: Passive or smooth operator?

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After having been president¹ of the European Commission for ten years José Manuel Barroso will most likely end his reign in 2014. Barroso is generally perceived as a weak leader who has thwarted the Commission's right of initiative. The European Parliament (EP) and member states depicted Barroso and his Commission as slow, uninspired and insignificant.² Because of the erosion of support for a unified Europe in the current crisis these days some analysts portray the EU as dying.³ Similar critical reflections were made during interviews with EU experts.⁴

Such characterizations do not suffice. A thorough evaluation of Barroso's two terms as president has to be seen through the scope of the current inter-institutional dynamics within the EU. Recently there has been increasing attention for the EU's centralization or intergovernmentalization,⁵ deepening EU integration or lack of deeper integration, and the strengthening or weakening of EU institutions (such as the European Commission). Insights in the actual EU trends in governance, EU leadership and the functioning of the European Commission help to evaluate Barroso's era. We choose to evaluate Barroso on the basis of possible shifts in the inter-institutional balance within the EU.

The second term of Barroso started in 2009 and coincided roughly with the entry into force of the Treaty of Lisbon. At the time, the Commission was perceived as less important than before, notably due to the appointment of a president of the European Council (Van Rompuy) and of the High Representative of the Union for Foreign Affairs and Security Policy (Ashton). The Lisbon Treaty was intended to be the mother of all treaties and should have been sufficient for the near future. Consequently, the Commission has to a certain extent been marginalized for quite some time, in particular over the past ten years due to the many EU summits and the dominant role of German Chancellor Merkel (sometimes with Sarkozy). The member state's choice of Van Rompuy as leader of the Taskforce Economic Governance, which should devise proposals for the improvement of budgetary discipline, underlined the intergovernmentalization and the decline of the Commission – and with it Barroso.

¹ Due to the more prominent role of the European Council and the strengthening of Barroso's position within the Commission, the EU speak has witnessed a 'presidentialization'. Schout, A. e.a. (2009), 'Wordt de EU intergouvernementeler?', *Internationale Spectator*, 63(9). In principle, like Delors, Barroso could be re-elected for another term.

² Berès, P. (2011), 'La réforme du traité dont l'euro a besoin', *Le Monde*, January 31 | *The Economist* (2013), *The French increasingly think Europe is the problem, not the solution*, November 15 |; Kaczyński, P. (2009), 'The European Commission 2004-09: A politically weakened institution? Views from the National Capitals', *EPIN Working Paper*, no. 23.

³ Kupchan, Ch. (2010), 'As nationalism rises, will the European Union fall?', *The Washington Post*, August 29.

⁴ For this reflection on Barroso we did not only consult academic and media sources, but also interviewed twelve people to study evaluations of Barroso among public officials and politicians in the Netherlands and 'Brussels'. Some of the interviews can be found at www.EUforum.nl (in Dutch)

⁵ Schout et al 2009 *supra*.

In spite of the desired peace and quietness at the institutional front after ‘Lisbon’, reality was different. The eurocrisis has led to an independent ‘budget tsar’ (now: Rehn), while the EU is on the eve of EP elections bearing the slogan ‘this time is different’. The EP’s hope is to elect the president of the Commission and thereby install the Commission as a government. Both EP and Commission will become more important (at the detriment of the Council), and as the president of the Commission carries the democratic weight of the EP, the inter-institutional balance of power could well tilt in favour of Barroso’s successor, at the cost of the successor of Van Rompuy.⁶ Furthermore, given that economic governance is nearly finished (with two-pack, six-pack, etc.), the banking union is under construction, with important back up roles of the ECB, it is reasonable to expect that the European Council will be less occupied with the crisis and able to focus on broader (more abstract) contemplations on strategic directions. What may remain, is a strengthened tandem of EP and Commission.

The contrast between the expectation that the Commission would be the loser in the inter-institutional balance – partly because of Barroso’s performance – on the one hand, and the ‘politicization’ of the Commission on the other, demands a more careful analysis of the Barroso era.⁷ Obviously, evaluating a politically dynamic period requires qualifications. The past ten years are, among other things, characterized by the enlargement of the EU from 15 to 28 member states, by the Treaty of Lisbon, the euro crisis, and the weakening of public support for the EU. Furthermore, heads of government took the lead and Merkel (and Sarkozy) in particular commanded attention in view of instability on financial markets.⁸ In these circumstances it is hard to determine who has had influence and how strong that influence was. The least we could do, is check whether the impressions of an eroded Commission due to Barroso’s passivity are correct.

This analysis of the inter-institutional shifts during ten years of Barroso’s reign is presented in historical order and starts with the difficulties surrounding his appointment in 2004. Subsequently the cooperation with the Council and the euro crisis are analysed. The conclusion addresses what these developments might signify for the Netherlands.

Political battle over appointment

In 2004, the Council opted for Barroso as compromise candidate, while candidates such as Guy Verhofstadt were considered too federal or too charismatic. Even before Barroso was incumbent, he had his first contest with the EP. Following hearings with each Commissioners-designate a majority of the EP voted against candidate Buttiglione, because he had made unacceptable remarks about homosexuality and women. Consequently, Barroso and his Commission were sworn in three weeks later than planned, after Italy had brought in Frattini as a replacement for Buttiglione.

Nonetheless, prospects looked good when Barroso took office. He found himself in the rare situation that the political colours in the Council, EP and European Commission matched quite well. This created momentum for a centre-right direction and the opportunity to formulate the ambitious *Strategic Objectives 2005-2009*, which focused on prosperity and solidarity. However, Barroso’s policies directly encountered obstacles as French president

⁶ It is questionable whether the European Council will let the EP run a candidate. Merkel and others try to put up a candidate for the EP. (Vogel, T. (2013), ‘Merkel speaks out on appointment of commission president’, *European Voice*, October 31.)

⁷ Schout, A. (2013), ‘De onderbelichte beoordelingsfactoren voor Barroso’, *EUforum.nl*, October 16.

⁸ Schout, A. & Rood, J. (2013), ‘Europa Beyond its Image’, in: Schout, A. & Rood, J. (eds), *The Netherlands as an EU Member: Awkward or Loyal Partner*, Den Haag: Boom Lemma.

Chirac dug in his heels, because he thought these objectives, and specifically the directive on services in the internal market, were too neo-liberal. Chirac's opposition may be explained from the fact that France had to cope with redundancies at Hewlett-Packard at the time.⁹ This collision with Chirac, resulted in the first reproach about Barroso making 'wrong judgements'.¹⁰ Due to the French vote against the European Convention in a referendum, member states were willing to support Chirac in sensitive EU issues. In the Netherlands and other EU countries people were overtaken by the turning down of the constitutional treaty in 2005 and rising euroscepticism. Barroso had to lay low and was subsequently reproached for lacking initiatives. The political climate was just unfavourable for ambitious Commission objectives.

The reproach about not setting the right objectives almost automatically ensues from the way presidents had been appointed so far. The political battle in the Council over appointments concerns the country (preferably small) and the person (preferably pragmatic, and from the European Council), but not about policy objectives. Subsequently, the fresh candidate, with a brand-new team of Commissioners, faces a struggle for support in the EP. These negotiations are not only about policies, but also about power and political 'humbleness'. Up until Barroso, searching legitimacy for political objectives was a process of careful cooperation with both EP and member states. In comparison, months of debates about policy objectives precede a national government taking office, while the elections create public support for policy plans. A new president of the Commission has neither a direction, nor any personal or political support.

Lap dog of the Council?

Barroso kept quiet after his collision with Chirac and avoided colliding with heads of governments. Members of the European Parliament and other critics therefore depicted Barroso as a visionless lap dog of the big countries.¹¹ To their understanding the Commission's right of initiative was neglected and replaced by obedience to the Council. Telling in this regard was his climate policy, which only started after heads of government raised this issue in the run up to the 2009 climate summit in Copenhagen.¹² The reproach of passivity grew stronger in his second period during the euro crisis, and the irritation rose among members of the European Parliament when he made large gestures in speeches for the EP, but lingered with initiatives.¹³ This criticism about politicization towards the Council is understandable and fair.

Yet, it was unrealistic to expect so much from the president of the Commission at the start in 2004. Barroso – or rather the EU – was facing different challenges. Apart from rising euroscepticism, important member states, especially Germany and the Netherlands, were averse to Commission involvement in the euro crisis. Former Dutch Minister of Finance De Jager, for instance, insisted on IMF involvement with the Southern-European countries. The EFSF became the European Financial Stability *Facility*, because it could not be called an EU *fund*, which would sound too supranational. Moreover, the Council did not want to put the EFSF (and later ESM) under Commission supervision and instead it was placed as a separate body in Luxembourg. The timing was not right to allocate additional tasks to the Commission.

⁹ Bert Lanting (2005), 'Barroso haalt hard uit naar president Chirac', *Volkskrant*, October 7.

¹⁰ Gerbrandy, G-J. (2013), 'Barroso schopt naar beneden en likt naar boven', *EUforum.nl*, October 11.

¹¹ Van der Kris, J. (2009), 'Grote woorden en kleine projecten', *NRC Handelsblad*, June 17.

¹² Eickhout, B. (2013), 'Barroso als boegbeeld van de technocraat die niet weet wat buiten Brussel speelt', *EUforum.nl*, September 13.

¹³ Euractiv (2013), *MEPs unimpressed with Barroso's state of the union*, September 11

Banking supervision was deliberately kept from the Commission and placed at the ECB. The reasons for this were diverse, but fear for a powerful Commission was definitely part of the equation.

In short, the tide was not in favour of Barroso at that time. In addition, the euro crisis has since its beginning in 2008/9 threatened to cause European integration in the field where sovereignty has traditionally been cherished: economic and budgetary policy.

Furthermore, Barroso needed to restore order in the Commission and existing EU policies. After the activism of Delors and the Eastern enlargement (which almost doubled the amount of member states) Barroso chose for ‘consolidation rather than innovation’.¹⁴ It was crucial that the initiated reorganization of the Commission under predecessors Santer (fallen in 1999) and Prodi (suffering from internal struggle) would continue. Therefore, Barroso chose to focus on implementing existing programmes and policies.

Barroso carried out the reorganization decisively and created hierarchy in the chaotic and expanding college of national heavyweights. This seems technocratic, but it was politically daring for sure. To redress fragmentation and force back influence of member states he pushed through a smart and comprehensive reshuffling of top positions. For instance, Neelie Kroes could not become Commissioner for Competition for another term because Barroso placed a Dutch secretary general at that department.¹⁵ Although member states scrupulously monitor the leading positions, Barroso shifted nearly all ‘national positions’ between the directorates general.¹⁶ Moreover, the quality of policy proposals also improved considerably during his reign through the introduction of an impact assessments system.¹⁷ The Commission therefore shifted from a French-style political bureaucracy to a British-style organization where arguments count.

In the meantime Barroso was not afraid of taking sensitive measures. Whereas newspapers complained about a weak Commission and the lack of initiatives, proposals for curtailing state aid to banks and the banking supervision were put forward by the Commission. Just how sensitive that was, turned out when ING was split up.¹⁸ Barroso also showed some robustness when the Germans and French were forced to stop support to Opel, Peugeot and Citroën.¹⁹ During one crisis summit, the French government – and thus Sarkozy – was even criticized about Roma expulsions in which individual human rights were violated.

Similarly, the Commission mounted spirited resistance against political pressure from countries such as the Netherlands, Germany, Austria and the UK for European asylum and migration policy. It is typical that the *political* pressure has been warded off by asking for *factual* information about the magnitude of social system abuse. The Commission even warned against hysteric reactions.²⁰ Moreover, Barroso’s blueprint for a federal Economic

¹⁴ Cini, M. (2005) ‘Pragmatism prevails: Barroso’s European Commission’, *Chatham House European Programme Briefing Paper* 05/01.

¹⁵ Knapen, B. (2009) ‘Het niemandsland van Barroso’, *NRC Handelsblad*, September 30.

¹⁶ Schout, A. (2009), ‘Barroso is uitstekend voorzitter’, *Volkscrant*, September 14.

¹⁷ Schout, A., J. Sleifer (2014), ‘A public administration take on legitimacy: Better Regulation as multilevel governance challenge’, in: Ambrus, M., K. Arts, E. Hey, H. Raulus (eds), *The Role of ‘Experts’ in International Decision-Making: Advisors, Decision-Makers or Irrelevant*, Cambridge University Press.

¹⁸ Van der Does Willebois, J. (2009), ‘Marginaliseer Nederland niet’, *Financieel Dagblad*, November 11.

¹⁹ De Gruyter, C. (2009), ‘Wij moeten ongelooflijk op de bok zitten’, *NRC Handelsblad*, July 10.

²⁰ Deira, S. (2013) ‘Cameron opent aanval op migratie vanuit de Europese Unie’, *Elsevier*, November 27

and Monetary Union was definitely not the product of a coward. It should be admitted that politicians shied away from future perspectives on the euro, and it may well be that Barroso's blueprint is more realistic than heads of government dare to admit. All in all, Barroso has defended the independence of the Commission in many respects.

Politicization of the Commission

In order to gain support from the EP during his re-election, Barroso had to write a report resembling a government programme. This novelty of political responsibility tied him stronger to the EP. Moreover, the presidents of the Commission and the Parliament agreed on consultations on a frequent basis, and it was decided that the Commission's working programme is offered to the EP in September (some weeks before it is sent to the Council). These changes allow for a comparison with a national government. Within this political ambition of both the EP and Barroso fits the new tradition of a presidential 'state of the union'-speech opening the European Parliamentary year.

Combined with the internal reorganization/centralization of the Commission, Barroso thus hoped to be more visible as the (political) head of the Commission. His own 'presidentialization' was necessary to compete against the 'presidentialization' of the Council (through the creation of a president of the European Council) and the visible role of the heads of government in the economic crisis.²¹ Externally, it was Barroso's aim to be the face of the Commission and he worked hard to strengthen the ties with the EP. To achieve that, presidentialization within the Commission was required.

The image which sticks to Barroso is that he is no match for Herman Van Rompuy. The function of the president of the European Council stemmed from the Treaty of Lisbon. Candidate for this function Tony Blair was deliberately blocked, among other reasons because the governments of the Benelux preferred a (less strong) leader who would not endanger the Commission, and hence respect the inter-institutional balance.²²

Especially when France and Germany put Van Rompuy in charge of the Taskforce Economic Governance, Barroso felt impugned in his role as initiator of policies. However, this taskforce soon got stuck, after which Barroso retook the right of initiative and introduced the six-pack measures which were swiftly adopted without too many alterations.²³ Typically, the most divisive element (automatic sanctions) was played down during a meeting of Merkel and Sarkozy in Deauville in October 2011. The EP, in its turn, revived the ambitions of the measurements again. In this case, the tandem Commission-EP was more important for the Dutch interests than the negotiations in the European Council.²⁴

The harvest of Barroso's decade

The weak image that sticks to Barroso is slightly unfair. He has been more than the technocrat who followed the Council. Part of his weak image stems from European sensitivities such as the growing criticism about the EU. During his second term the main issue was economic governance, and that is pre-eminently a policy which member state want to shape themselves.

²¹ Schout, A. e.a. (2009) 'Wordt de EU intergouvernementeler?', *Internationale Spectator*, 63 (9).

²² Mahony, H. (2009) 'Barroso fears powerful "European president"', *EUObserver*, October 8.

²³ Europese Commissie (2010) A new EU economic governance - a comprehensive Commission package of proposals. (http://ec.europa.eu/economy_finance/articles/eu_economic_situation/2010-09-eu_economic_governance_proposals_en.htm).

²⁴ Schout, A., J.M. Wiersma, I. Ebben (2012), 'Wel controle maar weinig visie: de Tweede Kamer en de Europese toppen' *Internationale Spectator*, 66/10.

Meanwhile Barroso handled internal reorganizations, professionalization and presidentialization of the Commission.

His grey and ineffective image is not completely fair either when it concerns policy making. Initiatives such as preventing banking support, the construction of a banking union, strengthening economic supervision and, especially, his blueprint for the federalization of economic governance are respected. His depiction of a lap dog derives mostly from the fact that he often waited to react and did not really follow up on his important initiatives such as the blueprint. His judgement that it would only lead to battles with the Council is probably right. One of the most important characteristics of a president of the Commission is to know when to pick a fight.

More important than his personal performance and policy changes, is the development of his function within the inter-institutional balance. The EU seems to have taken further steps towards federalization due to economic governance starting to take shape and closer links to the EP. At the time Barroso took office, the EU existed mostly of the single market (based on the technocratic Jean Monnet method). This has now been extended with economic governance, where traditional left-right political contrasts play a role (does France take enough austerity measures and/or does Germany need to increase its spending?). Generally, the Commission has thus politicized towards the EP.

Barroso's decade is therefore characterized by politicization. This seemed to be inevitable, especially because many member states have weak institutions. Hence 'this time it's different' is not a misplaced observation. However, it undermines the independence of the Commission because it becomes a more political organ or, as Barroso put it ambiguously: "*the independent European authority, and overseen by the European Parliament*".²⁵ It cannot be independent and a political organ at the same time. This politicization of the Commission seems to be at the cost of the position of the Council and its president. Countries like Germany and the Netherlands therefore try to limit the influence of the EP by announcing that the Council will put up a candidate-successor for Barroso.

Within this inter-institutional conflict Barroso had to fight three battles. He defended the independence of the Commission, was responsive towards the Council and strengthened the politicization and accountability to the EP. The essence of the Commission and to whom it is accountable, has therefore become increasingly unclear. However, the impression exists, among others with Dutch Foreign Minister Timmermans, that this has foremost meant an increased politicization towards the EP.

Traditionally, the Netherlands strives for stability in the balance of power on the European continent.²⁶ In 2009, the Commission seemed to be weakened by the Lisbon Treaty and the Benelux countries insisted on the Commission's enhancement. Bearing in mind the paradoxical development that federalization has continued under Barroso, it is understandable that Minister Timmermans urges for a strengthening of the Council.²⁷ The Netherlands thereby remains faithful to its traditional role of guardian of the balance of power on the continent – this time between EP, Commission and Council. Apparently there can be too much supranationality.

²⁵ Barroso, J. (2012) *State of the Union 2012 Address*. Speech/12/596, September 12.

²⁶ Scheffer, P. (1988) *Nederland en het wederkerend geloof in de Europese status quo*. Amsterdam: Bakker.

²⁷ Timmermans, F. (2013) Monnet's Europe needs reform to fit the 21st century, *Financial Times*, 15 November.

It is clear that during Barroso's decade the Commission has been split into an independent techno-judicial part which is responsible for single market legislation and a political part which develops and pursues economic governance. The EP has responded by trying to tighten its grip on the Commission. At the end of the day the recommendations of Rehn, and the decisions of the ECB, are issues of redistribution, so that politicization via the EP appears to be increased.

Much has happened in the past ten years within the EU: strengthening of banking supervision, development of a politically sensitive economic governance, and shifts within the inter-institutional balance towards the tandem of Parliament and Commission. Barroso definitely played a role in this, both actively and passively. He promoted politicization and adjusted the internal and external relations of the Commission. Instead of weak, Barroso could also be portrayed as a smooth operator. He could easily have disrupted the steps towards deeper integration. The president of the Council, Van Rompuy, is seen as an intelligent and influential man, but the future will tell whether Barroso has achieved more. He laughs best who laughs last...