



## The Barroso II Commission

**On** February 9, 2010, the European Parliament voted in favor of a new European Commission under the leadership of José Manuel Barroso for the period 2010-2014. The Barroso II Commission has taken office in a precarious situation, characterized by global economic and financial instability and the EU's protracted institutional transition towards post-Lisbon structures. Following the longest interregnum in the Union's history, the new Commission now faces a daunting policy agenda and a number of burning issues. This brief reviews the developing role of the Commission following the Lisbon reforms and provides a short overview of the creation and composition of the Barroso II Commission and its major policy challenges.

### The Commission after Lisbon

In terms of institutional reforms, the impact of the Lisbon Treaty on the European Commission remains relatively mild compared to some of the other EU institutions. While the Treaty originally envisaged a reduction of the number of EU Commissioners to two-thirds the number of EU member states from 2014 onwards, it also enabled the European Council to review this change acting on unanimity. In December 2008 EU Heads of State used this provision to revert to the pre-Lisbon system, granting each member state one Commissioner, following the failed Irish referendum on the Lisbon Treaty. This happened following pressure from some of the smaller EU member states, including Ireland, which feared that their influence in a smaller executive would be diminished. As a result, the current Commission consists of 27 Commissioners and is expected to rise further following prospective new enlargements to Croatia, Macedonia and others.

Thus, the only concrete change to the European Commission under the Lisbon rules results from the "election" of the Commission President by the European Parliament. While under the previous rules the European Parliament "approved" the Commission President nominated by the European Council acting on qualified majority, the Lisbon Treaty provides for the "election" of the President by the EP acting on a simple majority. Although of a somewhat formalistic nature, given that the member states only named one candidate for the position, this change confirms the trend towards a gradual "politicization" of the European Commission. This further strengthens the hand of the EP, which for the first time demanded a government-type policy program and specific policy priorities from Barroso before confirming him in his position in September 2009. While this politicization increases the accountability of the Commission, it also threatens its traditional role as independent executive and "guardian of the treaties."

Apart from these concrete changes, the Lisbon Treaty has also altered the institutional balance inside the EU. By further strengthening the role of the Council, the Lisbon Treaty has shifted the balance of power away from the common institutions and towards the EU member states. The introduction of a President of the Council, a proliferation of formal and informal Council meetings, and the institutionalization of weekly exchanges between the Presidents of both Council and Commission seem to confirm this trend. The transfer of a considerable number of competencies in the area of foreign affairs from the Commission to a newly created institution, the European External Action Service, further signals a declining role for the Commission. All of this will make it difficult for the Commission to maintain its right of initiative and its role as a guardian of the "Community Interest" under the new rules.

### **The Making of Barroso II**

The reappointment of José Manuel Barroso for a second term as the President of the European Commission by the EU Heads of State and Government in June 2009 was received with some disappointment by a number of commentators. During his first term in office, Barroso had proven to be a pragmatic and efficient operator. However, the Commission's track record under his leadership, his eagerness to please the larger member states, and his lack of vision have been criticized by those commentators that like to see the Commission play a more independent role. Overall, the Barroso I Commission adopted a broadly liberal economic agenda, which emphasized the implementation of the Lisbon Agenda and the strengthening of the single market. Other priorities included climate change and energy policy, EU Enlargement and the completion of the Doha Round. On many of these issues, progress was incremental and the Commission was repeatedly forced into compromises imposed on it by the European Parliament and the EU member states. Most notably, this applied to the Commission's controversial proposals for a liberalization of the service sector – the so-called Bolkenstein Directive – as well as its ambitious regulation of the chemicals sector under the REACH Directive. With the onset of the global economic crisis, the Commission then increasingly jettisoned its free-market rhetoric for a greater emphasis on social balance and solidarity.

In terms of internal leadership, Barroso's first term in office was characterized by a growing centralization of decision-making in its own hands and a gradual decline of substantive discussion in the full College of Commissioners. Given the further expansion of the Commission to 27 Commissioners in 2007, this trend might have been largely unavoidable and is likely to continue under the new Commission. However, this increasing centralization was not matched by a greater degree of leadership under the Barroso I Commission. Both within the College of Commissioners and the EU institutions, Barroso was criticized for his lack of initiative and his willingness to defer to the Council, leading to an overall loss of Commission authority and independence.

For all of these reasons, Barroso's reappointment seemed far from assured. However, the lack of clear alternatives and the decisive victory of the center-right European People's Party (EPP) in the June 2009 elections for the European Parliament (EP) allowed him to secure the unanimous support of the EU Heads of State later that same month. The only real resistance to his nomination came from the Socialist, Liberal and Green blocks in the EP, which failed to present any alternative candidates. In the aftermath of his nomination by the European Council, this loose coalition imposed a number of concessions on Barroso, including his commitment to adopt a clear set of policy guidelines for the new Commission, and to appoint a Commissioner responsible for human rights. When Barroso agreed to these different concessions, parliamentary resistance began to erode, paving the way for his confirmation by the European Parliament on September 17, 2009 by a vote of 382 to 219, with 117 abstentions.

As a result of the ongoing confusion over the Lisbon Treaty, the appointment of the new Commission was considerably delayed. This meant that Barroso did not present his new line-up for the College of Commissioners until late November 2009, following the final approval of the Lisbon Treaty by Ireland and the Czech Republic. The reactions to his line-up of Commissioners differed, with some lauding Barroso for the good balance of his new team and for avoiding the creation of empty or nominal portfolios; others were concerned that his division of portfolios seemed to favor member states' special interests. In particular, the appointment of a French Commissioner for the internal market, a Romanian Commissioner for agriculture and a German Commissioner for energy were greeted with some skepticism by commentators, fearing that these appointments would stall reforms in these sensible areas. While the French have long clamored for greater state-control over financial markets, Germany is seen as one of the main opponents to a more closely integrated European energy market, and Romania has a bad track-record on the use of EU agricultural funds. As a result, there has been some concern that these Commissioners would fail to act in the "Community Interests" when carrying out their job description, but would be guided by the interests of their home countries.

With the entrance into force of the Lisbon Treaty on December 1, Commissioners' hearings did not take place until mid-January 2010. The hearings themselves provided a mixed view of the new Commission, with most of the appointees delivering an unconvincing performance aimed at avoiding any possible controversy that might jeopardize their appointment and steering clear of policy discussions. While a large number of Members of the European Parliament (MEPs) declared their dissatisfaction with the mediocre performance of some of the Commissioners and the general nature of the hearing process, the EP was unwilling to challenge the Commission as a whole. As a result, MEPs restricted themselves to using informal pressure to force the resignation of the Bulgarian nominee Rumiana Jeleva, following her poor performance in the hearings and corruption allegations. Following her resignation, the Bulgarian government appointed a new nominee, Kristalina Georgieva, paving the way for the final approval of the Barroso II Commission by the European Parliament on February 9, 2010.

## Portfolios and Personalities

The new Commission has been widely praised for its balanced distribution of portfolios, taking into consideration a number of criteria, including nationality, geography, size, political affiliation, and gender. Indeed, the new Commission includes a record nine women, as well as some 13 new Commissioners, while none of the continuing members of the Commission have maintained their previous portfolios. The fact that all Commissioners are new to their portfolio and will have to “learn on the job” will further strengthen the central role of the President and enable Barroso to enforce his authority. Another new feature of the Barroso II Commission is its partisan nature. While previously a number of Commissioners had been appointed without reference to their political affiliation – based on their expertise and capabilities – this is no longer the case, with a majority of Commissioners coming from the ruling parties of their home countries. This will strengthen the already noted trend towards a greater politicization of the Commission, further eroding its more traditional role as a “neutral” guardian of the treaties.

When it comes to portfolios, the new College contains a number of innovations. Most notably, Barroso has created three new portfolios and substantially re-modeled some of the others. The “Justice, Fundamental Rights and Citizenship” portfolio has been created as a result of lobbying from the liberal parties in the EP and unites a number of directorates from different portfolios under the authority of the veteran Luxembourg Commissioner Viviane Reding. A new “Home Affairs” portfolio has been created under the Swedish Commissioner Cecilia Malmström in order to handle security, counter-terrorism and border control issues, shadowing what has become standard practice in national administrations. Finally, Denmark's former climate negotiator Connie Hedegaard has been charged with responsibility for a new “Climate Action” portfolio, flagging the continuing priority the Commission is giving to climate issues following the Copenhagen Summit.

As a result of the Lisbon reforms, there has also been a fundamental reshaping of the external relations portfolios of the European Commission. Authority over external affairs has been united under a powerful new EU High Representative for Foreign Affairs and Security Policy – Catherine Ashton – who will also be Vice President of the new Commission and President of the Foreign Affairs Council<sup>1</sup>. This means that most of the competencies of the Commission's former Directorate General for External Relations will be integrated into a yet to be created European External Action Service (EEAS) – a separate institution outside of the Commission remit and under Ashton's authority. Until a final decision has been made on the creation of the EEAS, this will leave EU external affairs in something of a jumble. In the meantime, Ashton's role in coordinating the relevant Commission DGs as well as the future authority of the Commission, especially

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<sup>1</sup> For details on this new position, see the brief on the EU High Representative in this series: [http://www.unc.edu/depts/europe/business\\_media/busbrief1004-high-rep.htm](http://www.unc.edu/depts/europe/business_media/busbrief1004-high-rep.htm).

when it comes to issues such as development policy and oversight of the EU Delegations, remains uncertain.

### College of Commissioners

Name	Country	Affiliation	Office
<b>José Manuel Barroso</b>	Portugal	EPP	President
<b>Catherine Ashton</b>	UK	PES	External Relations (VP)
<b>Viviane Reding</b>	Luxembourg	EPP	Justice, Fundamental Rights and Citizenship (VP)
<b>Joaquín Almunia</b>	Spain	PES	Competition (VP)
<b>Siim Kallas</b>	Estonia	ELDR	Transport (VP)
<b>Neelie Kroes</b>	Netherlands	ELDR	Digital Agenda (VP)
<b>Antonio Tajani</b>	Italy	EPP	Industry and Entrepreneurship (VP)
<b>Maroš Šefčovič</b>	Slovakia	PES	Inter-Institutional Relations and Administration (VP)
<b>Janez Potočnik</b>	Slovenia	ELDR	Environment
<b>Olli Rehn</b>	Finland	ELDR	Economic and Monetary Affairs
<b>Andris Piebalgs</b>	Latvia	EPP	Development
<b>Michel Barnier</b>	France	EPP	Internal Market and Services
<b>Androulla Vassiliou</b>	Cyprus	ELDR	Education, Culture, Multilingualism and Youth
<b>Algirdas Šemeta</b>	Lithuania	EPP	Taxation and Customs Union, Audit and Anti-Fraud
<b>Karel De Gucht</b>	Belgium	ELDR	Trade
<b>John Dalli</b>	Malta	EPP	Health and Consumer Policy
<b>Máire Geoghegan-Quinn</b>	Ireland	ELDR	Research and Innovation
<b>Janusz Lewandowski</b>	Poland	EPP	Budget and Financial Programming
<b>Maria Damanaki</b>	Greece	PES	Maritime Affairs and Fisheries
<b>Kristalina Georgieva</b>	Bulgaria	EPP	International Cooperation, Humanitarian Aid and Crisis Response
<b>Günther Oettinger</b>	Germany	EPP	Energy
<b>Johannes Hahn</b>	Austria	EPP	Regional Policy
<b>Connie Hedegaard</b>	Denmark	EPP	Climate Policy
<b>Štefan Füle</b>	Czech Republic	PES	Enlargement and European Neighborhood Policy
<b>László Andor</b>	Hungary	PES	Employment, Social Affairs and Inclusion
<b>Cecilia Malmström</b>	Sweden	ELDR	Home Affairs
<b>Dacian Cioloș</b>	Rumania	EPP	Agriculture and Rural Development

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An on-going turf war between the Commission and the Council of Ministers over staffing and competences of the EEAS also bodes ill for the future of the new service, and has fueled a tendency in the Commission to try and create “conditions on the ground”. Thus, in a bid to safeguard Commission authority, Barroso has managed to break out responsibility for the European Neighborhood Policy from the EEAS, uniting it with the Enlargement portfolio under Czech Commissioner Štefan Füle. Barroso also managed to position his former right-hand man João Vale de Almeida as the EU Ambassador to the United States, in a move irritating EU member states. Nevertheless, the overall trend of the Lisbon reforms has been to further weaken Commission authority over external affairs as much of the future strategic direction of Commission policies will be set by the EEAS.

Most of the remaining portfolios have been redesigned and strengthened in an innovative way to avoid the creation of any second-rate Commissioners – as was the case during the last Commission with portfolios such as the one responsible for “multilingualism” or translation services. While the result has been deemed successful by most, the creation of several “horizontal” portfolios also increases the risk of overlap and intra-institutional rivalries. Whether these new portfolios will function in a way that makes a real contribution to Commission policies remains to be seen.

Some controversy has also been generated by Barroso's placement of certain Commissioners. Most notably the assignment of the important “Internal Market and Services” portfolio to the French Commissioner Michel Barnier raised British concerns that French *dirigisme* would threaten London's advantage as a global financial hub. This was exacerbated by Nicolas Sarkozy's claim that Barnier's appointment was “a victory for France and a loss for Britain.” To calm emotions and alleviate British fears, a senior British civil servant, Jonathan Faull, was subsequently parachuted into the position of Barnier's Director-General. Similarly, the appointment of Romanian Dacian Cioloș as Agriculture Commissioner was seen with some concern given Romania's mismanagement of EU funds, as well as Sarkozy's claim that Cioloș would be “France's second Commissioner.”

National differences over the choice of Commissioners and horse-trading over other senior Commission appointments are of course anything but new at the start of a new Commission's terms in office, and tell little about how it will fair in the long run. What is certain, however, is that the new Commission will have to deal with an increasingly complex number of policy issues and that Commissioners will have little time to lose, given the considerable delays that have resulted from the late ratification of the Lisbon Treaty.

### **Policy Challenges and Outlook**

The new Commission faces a daunting policy agenda which will be centered on pulling Europe out of its current economic and financial malaise and to facilitate a smooth

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transition towards the post-Lisbon structures. The urgency of the situation has been further underlined by Greece's fiscal crisis and the precarious budgetary situation that a number of other European countries face. In his 2009 Political Guidelines for the new Commission, Barroso determined that the immediate challenge of his new team would be to set out a new ten year vision for the EU, replacing its discredited Lisbon strategy. This strategy, he determined, should focus on a number of goals: making a successful exit from the crisis; leading on climate change; developing new sources of sustainable growth and social cohesion; advancing people's Europe; and opening a new era for Global Europe.

Once confirmed in office, the new Commission followed up on Barroso's recommendations by adopting a communication on "Europe 2020" in March 2010, setting out a number of concrete objectives for the EU in the coming decade. This new Commission strategy, approved by a summit of the EU Heads of State at the end of March, will guide much of the action of the new Commission. Apart from the adoption and implementation of this new grand strategy, the European Union faces a number of important policy challenges that will feature highly on the agenda of the new Commission:

- ❖ **Economic Crisis:** The collapse of the Greek economy and the budgetary problems of the so-called PIGS (Portugal, Italy, Greece, Spain) necessitate immediate actions to prevent these countries from defaulting on their debt and to stabilize the Eurozone. However, the need to reduce unsustainable levels of debt will also have to be balanced with the rising levels of unemployment in Europe and the urgent task of promoting economic growth. Here finding the right balance will be crucial.
- ❖ **Financial Regulation:** Implementing financial regulation that makes the financial system safer and restores trust in the single market in banking are both of pressing importance. The challenge will be to restore financial stability while avoiding political pressure to over-regulate the financial sector.
- ❖ **Climate Change:** Following the failure to adopt a successor to the Kyoto Protocol in Copenhagen in December 2009, the EU will have to review its climate policy given growing external and internal opposition. Pressure for the introduction of a "carbon tariff" as well as the future of the European Carbon Trading System and renewable energy are likely to figure high on the agenda.
- ❖ **Budget:** In 2011 the new Commission will table a new proposal for the EU's next multi-annual budget (2014-2021). The challenge will be to shift EU spending from agriculture support (currently 42%) towards greater support for economic growth, innovation, climate change and energy.
- ❖ **Energy:** On energy issues, the Commission has signaled that it is planning to implement a new European super-grid for electricity and gas. Creating a common

European energy market and a common external energy policy as well as implementing existing promises on renewable energy will also be a challenge.

Apart from these various “big-ticket” items, the Commission will have to deal with a host of other issues, including the difficult transition towards post-Lisbon structures and the creation of a single digital market. All of this will require a considerable level of vision and leadership in addition to the Commission’s technical expertise. Whether the current Commission will be able to provide this kind of leadership and once again claim its role as a motor of European integration and guardian of the “Common Interest” remains uncertain. Indeed, the gradual erosion of the Commission’s authority and its increasing politicization seem to indicate otherwise.

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