

Leadership in the European Union: Significance and Perspectives

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Abstract

The leadership of the European Union has become an essential challenge given the multiple problems the organization is currently facing. The economic crisis, amplified in Europe on the background of worldwide globalization, increased euroscepticism and increased political extremism in the EU member states, increasingly complex relationships with international partners, the internal problems inherent to the functioning of a bloc of 27 member states constitute the delicate issues on the list of responsibilities of the "job description" of a leader of the EU.

In order to clarify the question of who is currently running the European Union and what are the factors that must be taken into account, we shall review the competences of the main institutions of the EU. At the same time, we shall point out the challenges that the current context poses to the act of leadership in the EU. The research method used is the study of documents and materials identified on specialised websites.

The study is aimed at pencilling the profile of a leader (an individual or an organisation) who can lead the European Union in the extremely complex current political and economic context.

Keywords: *European Union, leadership, managerial competences, national sovereignty.*

JEL classification: F01, F02.

Introduction

Before discussing the concept of leadership in the EU we must first establish clearly what leadership means and what it requires in order to be efficient. In the field of community affairs, leadership means strategic thinking, the determination to openly address issues, the courage to propose solutions that may imply risks, the ability to convince other partners in the European Union to accept one's own point of view (Bretherton & Vogler, 2006).

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The issue of leadership in the European Union has been increasingly dynamic in recent years. There is a number of matters that must be taken into account and that tend to increase the difficulty of exercising leadership in current times: the economic recession affecting not only the Eurozone but the entire Union, the process of eastward expansion, the emergence of more sensitive spheres of influence, the rise of a new generation of political leaders.

Managing the European Union is, in most cases, an extremely difficult mission. Its decisional structures are not similar to the vertical hierarchic structures of corporations or national states. In the EU, various supranational institutions share power with the member states, so that the lines of power are positioned horizontally rather than vertically.

No institution is directly responsible and able to give orders to the rest of the organization. Nothing happens without the agreement of a large coalition of institutions and governments, so decision making is often a slow process.

Under these circumstances, who ensures, at least informally (since formally the matters are clear, the competencies of various organizations are stipulated in the Treaty of Lisbon), the unitary leadership of the European Union? Does any single politician or do several politicians or entities from the institutions of the EU or from the member states take the responsibility of insuring the continuity of EU leadership?

1. Brief presentation of the managerial competences of the main institutions of the European Union

1.1 The European Commission - the driving force of the system of EU institutions

As the executive body of the European Union, the European Commission is the independent institution that represents and defends the interests of the European Union in its entirety. Basically, it proposes the legislation, the policies and the course of action and implements the decisions taken by the European Parliament and the Council of the European Union. The members of the European Commission – called Commissioners – are politicians from the member states who act solely in the interest of the European Union and cannot receive instructions from their respective national governments.

The European Council names the Commissioners after the national governments of the member states propose three candidates each. Once they have been nominated, the newly formed Commission requires the agreement of the European Parliament. The Commissioners have equal rights within the Commission, representing decisions taken observing the principle of collegiality (George, 1991; Moravcsik & Nicolaïdis, 1999).

1.2 The European Parliament – true representative body of the European citizens

It has evolved in synchrony with the changes within the European Union. Currently, it attempts to be a true representative body of the European citizens, with a profound impact on the functioning of the EU. Even though it has gained in importance in the latest decades, many analysts of the communitarian phenomenon

place it in a position inferior to that of the other two institutions of the European institutional trio.

Currently, the European Parliament is the only supranational institution whose members are democratically elected through direct universal vote. The European Parliament represents the citizens of the member states. It is involved in adopting numerous communitarian laws, directives and regulations that influence the life of each citizen (Tsebelis, 1994).

1.3 The Council of the European Union – the main decision-making institution of the European Union

Ministers of the member states meet as the Council of the European Union. Depending on the issue being discussed, each country is represented by the minister in charge of that particular topic (foreign affairs, finance, social issues, transportation, agriculture etc.)

The Presidency of the Council of the European Union represents a group of three member states that provide successive Presidencies for six months each. Cooperation in this form is aimed at improving the continuity of the works of the Council and at increasing the durability of the initiatives taken within its institutional structure as a negotiation platform for the EU member states.

The Council is composed of the representatives of each member state. The Maastricht Treaty stipulates that the states are represented at ministerial level. In the event that one member of the Council cannot take part in the Council assembly, he can be represented by a high ranking national official, the permanent representative, or his deputy (a country's permanent representative is that country's ambassador to the EU). The official representing the member of the Council can take part in the debates but does not have a right to vote. The right to vote can only be delegated to another member of the Council. The members of the Council can be accompanied by civil servants who assist them. The number of accompanying civil servants is fixed by the Council, and their name and function must be communicated in advance to the Council's General Secretary so they can be given access passes to the Council hall (Kirchner, 1992).

The Commission is allowed to take part in the Council's assemblies, but it is possible for the Council to meet in the absence of the Commission when it is discussing internal issues. Basically, the Council must continue to be the institution that reflects the interests of the governments of the member states within the institutional trio of the EU – Council, Commission, and Parliament – and its activity must aim to ensure a coherent relationship between the intergovernmental plane and the supranational plane (Bunse & Elgström, 2006).

1.4 The European Council – mediator of the European interests

It is the result of a historic evolution that regards both the way in which it was constituted and its institutional practices. The European Council of heads of states and heads of governments isn't included in the initial treaties, but it is regulated through the Treaty of Lisbon.

The attributions of the European council are hard to define. It has been estimated that it has a double role: a decisional role on the one side, and a directional

role on the other hand. In regard to political cooperation, the European Council has primarily the role of mediator, of finding a consensual point of view, of imposing itself on the European international scene, of adopting common standpoints and of coordinating diplomatic actions in all sectors of international affairs that affect the interest of the Community.

It is lead by a president named by the members of the European Council.

1.5 The Court of Justice of the European Union – entity that interprets and applies European Union law

It has the obligation and the responsibility to observe and ensure the just interpretation and application of European Union law as it results from the primary legislation given by the Treaties of the European Union and by the institutions of the European Union.

1.6. The European Central Bank – leader of the monetary policy of the European Union

Together with the national central banks, it constitutes the European System of Central Banks (ESCB). The European central bank and the national central banks of the member states whose currency is the euro, which form the Eurozone, lead the monetary policy of the European Union. The main objective of ESCB is maintaining the stability of prices.

The need for its creation was determined by the important increase in the amount of community finance, by the diversity of the sources and of the community expenses, by the complexity of the operations implied by their management and by the management of budgetary credits.

1.7 The European Court of Auditors – guarantor of the European taxpayers

The Court of Auditors is responsible for auditing any person or organization that handles European funds. Its written conclusions are included in the reports addressed to the European Commission and to the governments of the member states.

One of its most important attributions is to provide the European Parliament and the Council with an annual report about the yearly financial expenditures. The Court must also provide an opinion on the financial legislation of the EU and the ways to combat fraud.

The auditors of the Court make frequent inspections of the institutions of the EU, its member states and the countries that receive European aid. Court activity is aimed mostly at the funds of the European Commission, but, in practice, the national authorities manage 80% of the income and expenditures.

The Court of Auditors is composed of one member from each EU state, named by the Council for a term of six years.

2. Sensitive aspects in exercising European leadership

The following factors must be taken into account for their tendency to increase the difficulty of exercising leadership in current times:

a. *The process of eastward expansion.* The latest two expansions have doubled the number of the members of the European Union. Furthermore, from an economic, social and political point of view, the EU has become more diverse, which makes it harder to define a common vision. For example, some wealthy states tend to think of themes like social security and environmental issues as a priority, while others (Estonia) bring into discussion the matter of international security as a result of their different geographical position and historic experience. Consequently, the process of expansion brings new problems, new approaches, new mentalities, making the exercising of common leadership much more difficult.

b. *The emergence of more sensitive spheres of competency.* The areas of competence in the European Union have developed a great deal and are converging towards the mechanisms of national sovereignty. Therefore some decisions are much more challenged than in the past. The best example is the monetary union, which exerts a certain level of control over the institutions of the EU, over the national budgetary policies, an aspect which clearly leads to certain tensions. Other examples include the legislation proposed by the European Commission, which can impact taxation, social legislation, and welfare and pension rights.

c. *The economic recession, which affects not only the Eurozone but the entire European Union.* The EU is undoubtedly affected by the dual revolution of the information society and of globalization. The societal changes generated by this revolution generate fear, opposition, and worries. The national governments don't seem to be able to manage and control this phenomenon, and this diminishes considerably the legitimacy of political institutions. Obviously, the institutions of the European Union cannot escape this tendency either.

d. *The emergence of a new generation of political leaders.* Currently the EU is no longer seen as much as a *cause* as it was when the process of European unification was a fundamental cause, beneficial primarily from a political point of view. The political leaders that had witnessed the Second World War, thought this objective to be necessary and even compulsory from a moral point of view. But those times have passed. Europe has become an essential platform for negotiations and, sometimes, the cause of unpopular measures. This change of vision has contributed greatly to institutions of the EU being increasingly discredited. Likewise, the political speeches of ministers and members of the European Parliament have increased influence on the public, which assimilates exactly what it is being told.

In short, in the context of a larger number of participants that bring increasingly sensitive aspects, in a moment when economic and social changes question the validity of the old solutions, ensuring European leadership becomes, obviously, a great challenge.

3. The profile of the "leader" of the European Union

Given the institutional complexity of the European Union, dysfunctions in its activities are frequent. While the Council of the European Union and the European Parliament cover the strategic and legislative aspects of the EU, the European Commission provides technical expertise, along with the Court of Justice of the European Union, the European Court of Auditors and the European Central Bank. In theory the duties of each institution are well established, but in practice things are never that clear. There are a number of tensions between the above-mentioned institutions, which make decision-making difficult. Foreign policy, agricultural policy, policies in support of the less developed regions of the EU (cohesion policy) are examples of decisions taken with considerable difficulty (Ikenberry 1996).

By contrast, the national factor is a less visible element in the mechanism of European institutions, but it has gained special importance in the decision-making process. Over the years there have been initiatives by individuals within the EU (heads of states, prime ministers, leaders of national parties or families of European politicians, presidents of EU institutions) who have attempted to impose themselves as "leaders" of the EU through their actions and the ideas they promote.

A clear example of this are the leaders of the main EU states (France, Germany, and, less in recent years, the UK), who, together or separately, try to take over control of the EU, at least in regard to decisional control and control from behind the scenes. They have partially succeeded, and the France-Germany duo is considered the driving force of Europe (Kurpas & Riecke, 2007).

One model of leadership – whose efficiency is still in the process of being proved, since it doesn't benefit from all the attributes of a leader – is the triple presidency of the EU. This structure is aimed at improving coordination between the member states, ensuring continuity and "giving time to political initiatives to work longer" (Kurpas & Riecke, 2007).

The triple presidency has the advantage of distributing responsibilities between at least three member states. In each triple presidency it is possible to include a large, medium or small member state, a founding member state or a state that has adhered to the EU at a later time, a northern state, a Mediterranean state or an East European state. The three presidents support each other's governing over a period of eighteen months. Thus the objectives of continuity and stability are fulfilled and an excessive concentration of the competencies to form an agenda is avoided.

In order to obtain an efficient leadership, the EU must speed up its decision-making procedures, gain further legitimacy and surpass its structure based on "three pillars" (Elgström & Smith, 2006). Besides this, regaining leadership in the EU requires maintaining a balance between two types of opposing approaches:

a. Balance between intergovernmentalism and federalism or supranationalism. Any theological disputes between the two must be avoided. A plan for reforming EU institutions cannot be viable if there are attempts to lean strongly toward either one of these directions. By contrast, the threefold balance that is specific to the institutions of the EU should be reorganised and consolidated.

b. Balance between the large member states and the small member states.

The small states fear that the large states will try to impose their point of view and run EU policies without their involvement. The large states worry that the small states do not understand that the Common Foreign and Security Policy (CFSP) will not be credible if the countries with greater diplomatic and political power aren't allowed to take the lead. Even with regard to coordinating macroeconomic policies, there seem to be different standards for small states and for large states.

In order to solve the problem of efficient leadership, it was proposed to name a president of the Council for a period of two or five years. Most of the smaller states were either against it or distrustful of this proposition. Under these conditions, the main task of the president would be that of setting a coherent agenda for the EU for a few years, and of concentrating discussions within the EU on that agenda. This should put an end to the system of promoting personal interests for the duration of exerting presidency by rotation. At international level, the president would be the "voice of Europe", his task being that of expressing the common position of the EU on all subjects (Allen, 2004).

Thus the political system in the EU would have two important presidents: the president of the Commission, elected in the future by the European Parliament and, as such, gaining more power and legitimacy, and a president of the Council, named by his colleagues from the Council. In order to obtain the support of the smaller states, the reform of the Council should be tied to the reform of the Commission, the purpose of this "twin governing" being that of consolidating the Council without weakening the role of the Commission.

Conclusions

The leadership of the European Union has always been influenced by the political environment: dedicated leaders, their bilateral relationships, the economic cycle, proximity of the elections, etc. A new element that must be taken into account is that the expansion process has had structural consequences on the way in which leadership can be exerted. It has rendered the leadership of the European Union a much more difficult task.

Potential sources of leadership remain where they have always been, but the exercise of that leadership has become more difficult. A coalition of member states can still play a potent role but the formulation of its proposals needs to be more carefully crafted than was the case before. The European Council remains the central locus of power where strategic decisions are taken, but its presidency is more difficult to exercise and results frequently less convincing. The enlarged Commission is a weaker institution, and its capacity to lead is limited by the EU Treaty in new domains, and more generally by the reluctance of many governments to see it playing a major role. Parliament, like all assemblies, is not a natural leader.

In a European Union of 27+ member states, it is essential to question the capacity for leadership to drive the integration process forward in the 21st century.

Also, research must explore the dynamics by which EU decision making is influenced by *ad hoc*, multiple bilateral arrangements that exclude Community institutions.

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