



Original Contribution

EU WEAKNESSES AND THE DEBATE ABOUT ITS FUTURE REFORMS

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ABSTRACT

The paper examines the deep causes of the crisis the European Union is going through. The main argument is that the current decision-making mechanism of the EU dominated by the member states is unsustainable and needs to be revised. The ability of member states to block decisions in the crucial EU institutions – the European Council and Council – is a major weakness which makes the decision-making process extremely slow and ineffective during crises and external pressures. Three different alternatives for reforms of the EU decision-making are presented which include a transition towards a parliamentarian or a presidential system. These alternatives are evaluated according to their potential to overcome the weaknesses the current system is suffering. The main weakness of a parliamentary system at EU level consists in the risk of instability of the Commission due to the fragmentation in the European parliament. The adoption of a presidential system with a directly elected European President might solve most of the present problems of the EU. This solution however lacks the support of the member states who will take the final decision and only a strong public support may increase the chances for such reforms.

Key words: European Union, Decision-making, Democratic deficit, European Parliament, member states, Presidential system

INTRODUCTION

When the European Commission released the White Paper on the Future of Europe on 01.03.2017, it set off a long needed debate which will be in the center of the public attention for the coming months and possibly years. The debate was much needed because the European Union passed through several crises in the previous years which proved that its institutions were not well adapted for the challenges of the contemporary globalized world. The discontent of the population culminated in the Brexit vote a year ago but it had also been visible in the previous years, taking into account the mounting popularity of the Eurosceptic parties and the rejection of the European constitution in the referendums in the Netherlands and France in 2005.

The present paper explores the weaknesses of the European Union which have paved the way for this gradual negative trend. It is well known that the way the problems are defined strongly affects the possible solutions. So in

the debate over the future of Europe there will be divergent explanations for the EU weaknesses, this paper presenting only some of the possible views. In the second part the paper focuses on possible reforms in the EU that may tackle the problems defined in the first part.

THE WEAKNESSES OF THE EU

The first very obvious problem is the mounting **popularity of the Eurosceptic parties** in Europe. This is a phenomenon which affects almost all EU member states in various degrees while being a pressing issue in the UK, France, the Netherlands and Austria. The free movement of people in the EU, immigration from third countries and the effects of globalization have been instrumentalized by the populists from Eurosceptic parties to defend their cause. But what really helps those parties win votes is an obvious **asymmetry in the political debates** over the role of the EU. In a normal political debate where an opposition party accuses the governing party of bad management or corruption, there will be an immediate and passionate defense from the accused side. The opposition will have a lot more trouble to convince an unbiased observer. In the political debates over the EU accusations from Eurosceptic parties against

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the European bureaucracy are asymmetric as they are hardly countered by an immediate and passionate answer. The reason is that the other parties do not feel targeted by these accusations while the European Commission and individual commissioners are not supposed to enter in internal political debates in the EU member states. Obviously the traditional parties do not support such accusations and present arguments in favor of the existing institutional system in the EU. However passionately defending one's own stakes is one thing while defending half-heartedly someone or something one thousand kilometers away is a totally different story. And if the vociferous and passionate accusations against the European institutions in Brussels are not met with the same passion, for an unbiased observer these accusations seem a valid point. So the European institutions are an easy target for cheap political propaganda and in the near future the popularity of the Eurosceptic parties will continue to increase if there is not a dramatic change in the way the EU is debated in the different countries.

The second obvious problem is the **concentration of power in the member states** who take the decisions in the main European institutions. The European Council and the Council of the EU have the decisive role in shaping the EU policies. The supranational institutions - European Commission and European Parliament - have gained an increased role in the EU decision-making process with the Treaty of Lisbon but this reform did not change the dominant role of the intergovernmental institutions. Now with the rise of populism nation-states have tried to gain the upper hand even in areas where the role of the European Commission has been undisputed. In the area of foreign trade the Commission has the monopoly over negotiating trade agreement with third parties. The negotiating positions of the Commission have to take into account the mandate given by the Council and in this way the member states may influence the outcome of the negotiations even without taking part in them. Unfortunately after years of negotiating trade agreements with Canada (CETA) and the USA (TTIP), the member states have decided that they need to ratify the agreements and in the cases of France and the Netherlands via referendums. There is a long discussion between the Commission and the member states whether trade agreements should be signed between the third country and the EU as a whole, represented by the Commission (this type of agreement is called "EU only") or between the third country and the member

states ("mixed agreement"). The basic assumption is that when the agreement relates only to trade matters it enters the first category; when it deals with other important matters it belongs to the second category. The negotiations with Canada and USA - two of the most important EU trade partners - created a lot of tensions. France directly opposes the trade agreement with USA and the outcome of a referendum on CETA is not clear. (1) As a consequence the member states have asked for the right to block any trade agreement of the EU after years of negotiations in which they had a say. With the rise of populism and euroscepticism this trend may lead to a failure in most of the EU trade negotiations with a devastating effect on the credibility of the EU abroad and on the future position of the EU in the world trade. So additionally increasing the role of the member states in the EU will make the Union weaker, not stronger.

The third often mentioned problem the EU is confronted by is the **democratic deficit** of its institutions. European institutions do not have democratic legitimacy to the same extent as nation-states institutions have, the exception being the European Parliament. The prominent figures in the EU – the President of the European Commission (nominated by the largest political group in European Parliament), the President of the European Council, the President of the European Central Bank and the members of the Commission - are negotiated and designated by the member states in the Council and the European Council. European citizens do not directly elect them. (2) At the same time the European citizens vote in national elections to form a national government which represents them in the Council and the European Council. In this way they have a say in the election of 1 out of 28 members of the crucial European institutions. They are affected by the outcome of the elections in the other member states where they cannot vote. As a result the EU seems a complicated political system which has a great impact on its citizens' lives but the latter can hardly influence it. The decisions are taken behind closed doors on an intergovernmental level and nobody asks for the approval of the European citizens. No wonder that a lot of people are suspicious about the decisions taken at EU level and sometimes they give credit to Eurosceptic critics.

The only institution directly elected by the European citizen is the European Parliament. However, we cannot call the elections for the European Parliament "European elections".

Most of the debates during these elections are between the parties at the national level; voters are more affected by domestic issues and treat the elections for the European Parliament as mid-term national elections. (3) There are no serious debates with clashing visions for the EU policies. Nothing crucial for the future of EU is decided at these elections. After the elections the European Parliament consist of 8 to 10 political groups and very often the decisions are taken by a majority consisting of the European People's Party (EPP), the Party of the European Socialists (PES) and the Alliance of Liberals and Democrats for Europe (ALDE) which is basically **a left-center-right coalition**. So no matter for which left, centrist or right party the European citizens have voted at the elections, basically they have supported the current positions and policies of the EU. The same heterogenous mixture of left, centrist and right politicians are also present in the European Commission, the Council and the European Council as there is a zero probability that all the 28 governments in the EU could at any given time consist of only left-wing or right-wing parties. So if a European citizen wants to know what the policy of the European Commission or the Council is, the answer will be - a mixture of left and right policies and measures.

The lack of a clear governing party and a clear opposition in the European Parliament and the other main institutions of the EU do not leave a choice for the European citizens at the elections for the European parliament. If they do not approve of the current EU policies and the way the Union affects their life, their only options are the Eurosceptic parties and disintegration. If the EU wants to regain the support of the majority of the European citizens for the European idea, the Union needs to give them **a real say and a real choice** in the way the EU evolves. The European citizens' initiative created by the Lisbon Treaty, the open public debates on policies and reforms are a smokescreen which disguises the will of the member states and the heads of governments to keep the real power in the EU for themselves.

A forth obvious weakness of the EU is **the painfully slow decision-making process** in a Union of 27 or 28 member states even if all the governments are positive towards the EU. The things become dramatic if a Eurosceptic party wins elections and has the ability to form a government somewhere in the EU. Such a government may bloc crucial EU decisions in a number of areas in which unanimity is required and paralyze the Union if some of its economic

or other claims are not met. By following such a political line this party may gain even more popularity at home defending national interests at the expense of the other member states. Margaret Thatcher proved how effective such an approach may be at the beginning of the 80s. With the mounting popularity of the Eurosceptic parties in several countries the probability that no such party will be present in the European Council in the coming years is close to zero.

Even now the leaders of some East European countries like Poland and Hungary may be categorized as nationalists, populists and Eurosceptic. They behaved as such when they opposed some of the crucial decisions during the refugee crisis. As a consequence it took the EU more than a year to foster a solution of the refugee crisis that could suite all the member states. As almost one million immigrants had already gained access to the EU this solution was too little too late. We may only guess what would have been the consequences of the crisis had there been a strong European government which could take the decision. Most probably such a decision would have been taken in less than a month, the routes to the EU would have been shut effectively and the resulting social, political and media outcry would not have happened. The reality is that the decision-making process in the EU is too slow and too ineffective especially in times of crisis and it creates more problems than it solves.

The weakness of the EU decision-making mechanism is even more obvious in the area of the **foreign and security policy**. Let's take into account how third countries deal with the Union and countries like Russia and the USA try to circumvent the EU and to deal directly with some of its member states. In return to offering specific economic benefits or political support, certain third countries expect member states to block or at least to soften the approach of the EU towards them. Russia counted on Greece, Cyprus, Hungary and Slovakia for blocking the imposition of the third set of sanctions after the outbreak of the Ukrainian crisis and on Germany and Hungary on any issue concerning energy security. The USA has always counted on the UK for slowing down the integration processes in the EU perceived as a threat to their dominant role in the world. After Brexit their support most probably will shift towards Poland and some other East European countries. This strategy "divides and rule" or more precisely in this case "divide and block" **impedes the EU from playing a more significant role in international relations**. Now with the new administration in the United

States openly anti-EU, it won't be a surprise if the same strategy is used to start a trade war against the EU by urging some member states to block the adoption of higher tariffs for the USA. The UK government will definitely try to create dividing lines among EU member states in the negotiations on Brexit in view of weakening the EU negotiating position. Even Turkey seems to have lost interest in joining the EU, uses the Turkish minorities in some member states as a lever for achieving concessions and lately threatens to use the Syrian refugees against Europe. Apparently Ankara is not afraid of –EU counter-measures as it assumes the Union is too weak and too divided. But such a strategy would not work if EU decisions in the area of foreign and security policy were not taken with unanimity by the member states. With Russia, USA, UK, Turkey, and the turmoil in the Middle East and North Africa, EU is surrounded by an even more precarious and threatening environment. The EU cannot afford to react slowly and ineffectively in such an environment. The EU badly needs an institutional framework where a crucial decision might be taken without the fear that one or more countries will block or postpone the measures indefinitely.

THE DEBATE ABOUT EU FUTURE REFORMS

When the President of the European Commission Jean-Claude Juncker presented the White Paper on the Future of Europe, he presented five possible scenarios ranging from shrinking the EU to only a single market (scenario 2) to a Federal state (scenario 5). (4) The Commission made clear it does not prefer one scenario over the others, leaving to the member states to choose a scenario or even a mixture of scenarios.

The first reactions indicated a clear division between two groups. The leaders of four of the major European countries - Germany, France, Spain and Italy - met at Versailles on 06.03.2017 and gave their support for the third scenario - a multi-speed Europe.(5) Angela Merkel clearly stated that the EU needs to move forward even if some member states oppose that. The Visegrad group countries - Poland, Czech Republic, Slovakia and Hungary - as well as the Baltic States, Romania and Bulgaria have loudly rejected the multi-speed Europe and stressed the need any further integration to be open for all member states. Without stating it clearly these countries prefer the current situation to a reformed Union where their influence might shrink to second class members. High on the agenda of the East European countries is the preservation

of the cohesion funds which they fear might be sacrificed in the next multiannual financial framework. What is the possible compromise between these two groups remains to be seen.

Some specialists expressed their disappointment that the White paper of the European Commission simply enumerates possibilities and does not give one strong and convincing vision for the future of Europe. Moreover the White paper does not even present what are the weaknesses of the EU that need to be addressed via the reforms. That is left to the member states to discuss and decide. When we discuss the White paper we should not forget that Jean-Claude Juncker is the most experienced politician in Europe. He has represented Luxembourg for 18 years in the European Council (1995-2013) and since 2014 he represents the European Commission in the European Council. No other politician has been in the most important European institution for more years. Angela Merkel comes second with almost 12 years in the European Council since 2005, compared to 21 for Juncker. Lack of understanding about the weaknesses of the EU or lack of vision for the future of Europe could hardly refer to the most experienced European politician. The fact that he does not clearly state his own vision and the weaknesses he would tackle speaks loud in itself. We may only assume his motives.

Above all, Mr. Juncker understands that the final decision on the reforms in the EU is in the hands of the member states. His opinion will count in the discussion but will not be decisive. The reference to Altiero Spinelli's manifest at the beginning of the White paper may indicate that the President of the Commission is in favor of the fifth scenario - a Federal Europe with a minor role for the member states, a faster and more effective decision-making process and stronger supranational institutions. Mr. Juncker will present his ideas more clearly in his State of the Union speech in the European Parliament in September 2017.

Second, if the White paper does not point out the weaknesses of the EU which need to be tackled, we may guess that presenting them might create more division in the Union than omitting them. If since the beginning there was a direct attack on the role the member states play in the current system, the nationalistic and Eurosceptic parties would cease the opportunity for a hysteric attack on the bureaucracy in Brussels and the EU as a whole. During the year in which crucial presidential and parliamentary elections in France and parliamentary elections in

Germany take place, the European Commission does not need to feed the Eurosceptic parties with more arguments. We could expect that President Juncker will present his vision clearly after the elections in case the Eurosceptic parties do not gain a decisive victory. It does not mean that those weaknesses are not high on the agenda of the President of the Commission and the major European countries. Bearing them in mind they will push for the reforms to tackle those weaknesses.

There is a sense that those reforms are a turning point in the history of the EU. The UK has blocked such reforms for decades. The need for these reforms is obvious to anyone closely observing the processes in the EU. Without them there is a strong sense that the decision-making process in the EU might be paralyzed and the Union might disintegrate. (6) So, there is a strong political support in the major European countries for decisive reforms in the EU, no matter what the opposition of the Eastern European countries might be. The decisions of the Versailles meeting are a clear signal that if the East European countries try to block a possible new treaty, the old members will use the possibility of enhanced cooperation set out in the Nice Treaty four years before the entry of the new member states. This clause for enhanced cooperation was designed in the treaties precisely because of the fear that a Union with 27 members might not function properly. So, if the major EU member states and most of the countries in Western and Northern Europe have the possibility and the will to move on with the reforms, the reforms will happen.

The only question is what concessions will the East European countries gain. Their fierce opposition to a multi-speed Europe is a way of increasing their negotiation power. The only problem is that Paris, Berlin and Brussels understand quite well that Eastern European countries do not have a bright future outside the EU and the single market and without the cohesion funds. So the East European countries will have to say "yes" at the end of the negotiations and keep the EU united. Most probably they will succeed in keeping the cohesion funds, but they will have to agree to the needed reforms.

WHAT REFORMS FOR THE EU?

In EU reforms debate were presented several ideas for new dimensions of the EU. European Defense Union, European Energy Union, Common migration policy, Fiscal Cohesion, Common Economic Policy, European Public Prosecutor's Office are among the discussed

proposals. Every one of them will have an added value as measures at European level will be more effective than measures at national level. Every country may decide for itself whether it has interest in participating in any of these new integration initiatives and only those that gather enough support will be activated. It is not in the scope of this paper to discuss the modalities of every initiative as they are at an early stage of discussion. The most important issue is how the decision-making mechanism in the EU will change.

There are basically three possible solutions: 1) keeping the current mechanism with a slight extension of the qualified majority vote; 2) transition towards a European parliamentary system where the European parliament elects the European Commission and 3) transition towards a European Presidential system, where a directly elected European President appoints the European Commission.

If the current mechanism remains, the member states will keep their power in the Council of EU and the European Council. This will not tackle all the weaknesses of the EU outlined above - the European citizen will not have a sufficient impact on the way EU evolves by voting at European elections, the popularity of the Eurosceptic parties will continue to increase, the decision-making in the EU will continue to be extremely slow and the Union will continue to be challenged by third countries, counting on the strategy "divide and block". This is a recipe for frequent crises and ultimately the EU member states will have to recognize the situation is unsustainable. Unfortunately a lot of precious time will be lost and when the member states try to push forward with a substantial reform of the decision-making mechanism, the compromise will be harder to reach. So the first possibility is not a real solution but a way to postpone the solution until a moment when it will be harder to find. Some of the East European countries maybe opt for this solution but most of the countries in Western Europe understand the need to move on.

The second alternative is a tempting one. The European Parliament (EP) has been increasing its powers with every new treaty and its behavior in the European institutional framework has been recognized as constructive and valuable. As the elections for European Parliament are the only direct elections in the EU, this is the most legitimate European institution so far which represents the European citizens. A transition towards a parliamentary system will be smooth because

all member states have such a system at home. We may even assume that the wide coalition between the three big political groups (EPP, PES and ALDE) will continue to exist reproducing a similar composition of the Commission after 2019. It is questionable though whether such a system will overcome the weaknesses of the EU.

The parliamentary system works well with bipartite political systems where one of the two parties easily wins a majority. In the foreseeable future the European Parliament will be fragmented in 8-10 political groups with no group even close to a simple majority. In such an environment the formation of a coalition is a necessity but the persistence of those coalitions in a very challenging environment is not given. Most parliamentary systems with a fragmented parliament suffer from frequent political crises and an unstable executive branch. Persistent political crises at the EU level will boost even more the popularity of the Eurosceptic parties and will not create a smooth and fast decision-making. Undoubtedly there will be positive implications from the imposition of a parliamentarian system. The ability of third countries to interfere in the EU decisions through some member states will decrease. The importance of the EP elections will give European citizens the feeling that they choose the course of action of the EU. Still all those positive changes cannot negate the probability of an unstable executive branch which seems a crucial weakness especially in challenging times. Another doubt remains as to whether the political groups in the European Parliament could play the role of governing majority and opposition, present clear alternatives at the elections and fuel the passion of the European citizens for the debates in the EU. If the decisions are taken behind closed doors by the political groups in the EP, such a parliamentary system will have as much trouble to gain support as the current one.

The third alternative reminds the political system in the USA. The European Parliament and the Council will keep their legislative powers and will control with checks and balances the power of the European President. At the same time the European President may give a strong leadership to the EU and a strong voice in the relations with third countries. A Commission or government under his control will be much more stable than in a parliamentary system. And above all the elections for European President will give real power to the European citizens to choose people, policies and programs. If such a system

will solve all the current weaknesses of the EU, it should be noted that it will be a bold jump into the unknown. Nobody may predict what weaknesses such a system will present and how the balance of power will change between East and West, North and South, big and small.

CONCLUSIONS

In the debate on the future of Europe the member states have the possibility to choose out of three alternative models for the EU decision-making.

The first possibility is to keep the current system where member states take the crucial decisions in the Council and the European Council. Most of the countries disapprove of this because of 1) the extremely slow decision-making mechanism, 2) the risk of paralysis of the institutions, blocked by some populist or Eurosceptic government and 3) the lack of effective means for the European citizens to interfere directly in the political choices at EU level.

A second possibility is the adoption of a parliamentary system at EU level with the European Parliament electing and controlling the European Commission. This is a familiar system to everybody in Europe with well-known positive and negative sides. However the fragmentation of the European Parliament in the foreseeable future might create an unstable executive branch at the EU level which seems a serious drawback in the very volatile environment Europe is facing.

The third option is a presidential system with a directly elected European President who appoints the European government and who is controlled by the European Parliament and the Council. This is the boldest choice which might solve all the weaknesses the EU is suffering from at present but which may create other unknown problems.

The second and the third choice will decrease significantly the power of member states at EU level. So it will not be a surprise if when the member states gather in December 2017 to take the decision, they might reject those two options and keep the current system for a while. But the final decision is and will always be in the hands of the European citizens. If most of them arrive at the conclusion that a parliamentary and especially a presidential system will give them the power to choose their own future, sooner or later the EU will be a political entity which not only declares democracy as its basic value but applies it in practice.

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