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The 8th European Parliament: Organization, Priorities and Challenges

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More than half a century into the European project, the wind has started to blow away from "an ever closer union among the peoples of Europe", as advocated by the Treaty of Rome and towards a re-assessment of the need for and feasibility of deeper European integration. This is, unfortunately, the message which emerged from the European elections two weeks ago.

So where are we today and what can we expect from the 2014-2019 Parliament? In spite of the rather anti-Europe rhetoric that emerged from the elections, there are two reasons why things may not be that bleak after all.

It is perhaps too early to say for sure what dynamics the election results may trigger within this the European Parliament, however, we should remember that the major pro-European parties will still have a majority of 70%. Albeit down by 10% relative to the previous term, provided a coalition between centre-right EPP and centre-left S&D is formed, we may still see glimmers of hope on the horizon.

The second encouraging factor is that right-wing radicals are well known for their poor attendance records and have never been particularly concerned about furthering their agenda in committees and plenary, but have rather used their speaking time for arguing against the European project.

Even if we, as pro-Europeans, can retain sufficient power to go about our usual business unimpeded, we must not become complacent however. We have received a harsh signal from European voters at the end of May and we must digest it and react to it both promptly and effectively.

Discontent had many drivers, among them nationalism, hostility to immigration, as well as the crisis and Europe's response to it. So how should the EU respond? The time might be ripe for the EU to establish its priorities and go about pursuing them. This is the time to think about the areas in which a European policy makes sense, and leave frivolous issues, which are best dealt with at national level, to the national realm. We should re-evaluate the principle of subsidiarity. This would send the signal that the EU is committed to furthering the European project and prepared to invest intelligently in the areas where it can and must make a difference. We need a big EU on big issues and a small one on small issues. This buzzword has had many fathers, though, I believe, had been first used by an American newspaper.

Europe must also take a stance on the sources of discontent expressed by the people, which go against the spirit of the single market. The European project is at

the end of the day based on the freedom of movement of goods, services, capital and labour and these are values which we cannot and will not compromise on. Immigration is certainly one of those issues which could generate a deep crisis in the years to come.

While moving ahead, we must of course also be aware of the dangers that come along with the increased euroskeptic presence in our chamber. One is that anti-Europeans MEPs might put negative pressure on initiatives coming from the European Commission. Another is that they might exert power over domestic politics, making it less likely that their national governments back what could be perceived to be a riskier European project, but one that might be needed to move the EU forwards. Moreover, the anti-Europeans also pose a threat to Europe's standing on the global stage, in particular when it comes to the US and the on-going negotiations for a free trade agreement. Our American counterparts have already expressed their worries about whether the European Parliament will have an easy time saying yes to the final deal on the TTIP. I hope we will prove them wrong.

Let me now turn more specifically to the Parliament, to the state of play after-elections and to the challenges this institution faces over the months and years to come.

The Parliament is still putting its political machinery into place. We already have a chair and corresponding vice-chairs for the EPP group as of 4 June, while the remaining groups are due to choose their leaders in the course of this week or the coming one. Leadership positions need to be finalized by June 19th, allowing groups to start focusing on committee and delegation memberships.

On Thursday 26-27 June, the European Council will meet for the last time before the summer, offering a last opportunity for the European Council to propose, with a qualified majority, a candidate for President of the Commission to the European Parliament before its first plenary session. On Tuesday 1 July, the new European Parliament will elect its president. By Wednesday 2 July, the new Parliament will elect its Vice-Presidents and Quaestors. On Thursday 3 July, committee membership will be attributed to each new member in plenary. From Monday 7 to Thursday 11 July, committees elect a chairman and vice-chairs and Parliament's political groups may organise hearings of the Commission President designate. On Wednesday 16 July, MEPs vote for the President of the European Commission, based on the proposal of the European Council. The latter is still shrouded in mystery and it remains to be seen whether the final candidate will be one of the Spitzenkandidaten or will emerge out of the Stockholm meeting witnessed earlier this week.

Leaving organisational matters aside, let me now say a few words on the concrete challenges facing the European Parliament today and how we may be able to address them. They concern three main dimensions, namely legitimacy, efficiency and flexibility.

The main challenge for the European Parliament going forward will be the strengthening of both its democratic legitimacy as an institution, as well as the legitimacy of its relations with national parliaments.

The European Parliament was certainly a big winner of the Treaty of Lisbon. It became a co-legislator for most issues, gained a decisive role in the MFF and EU budget procedures. Moreover, the Lisbon Treaty also broadened competences and boosted the role of the Parliament, making it the representative of the citizens of the Union. Moreover, it deemed all citizens equal.

There was, however, less of a boost in terms of the legal basis for Parliament involvement in legislative implementation. Parliament unfortunately often involved only via the "consent" or "consultation" procedures, which gives it a consultative role and does not put it on an equal footing with Council. The legal basis for Parliament's engagement in legislative matters linked to the crisis triggered reforms in economic governance is rather weak and has caused many discussions in the post-crisis reform environment.

Things get even more complicated if we take into account the dual citizenship concept in the new Treaty. We have two major layers of parliament (plus regional ones). These spaces where relations between national parliaments and the European one take place are not yet well organised.

Both national, as well as EP layers have seen their role in European policy making enhanced recently. The European Parliament has experienced this through co-decision, national parliaments through subsidiarity and the Early Warning Mechanism. There is no doubt that some form of coordination or even harmonisation between the two levels is needed.

We live with a situation where borders have largely disappeared from the internal market architecture, but democracy remains confined to national frontiers. The need to add a transnational democratic legitimacy mechanism to the national ones is obvious.

The crisis has strengthened the trend towards a Europeanization of domestic policies. This makes the democratic legitimacy challenge even more acute. The problem is that European citizens see European integration predominantly as an executive power project. This means that they see their governments as their representative at the European level, less so parliaments. This makes the architecture for democratic legitimacy even a more complicated matter.

The Early Warning Mechanism on subsidiarity suffers from a number of shortcomings. It needs most likely more time but I wouldn't worry. It is a learning process and sooner or later, would be fit for the genuine subsidiarity control.

While the new space for inter-parliamentary cooperation, committees and meetings does provide a useful platform for information exchange and best practices, it does not add at all mechanisms in the way of decision-making. These new platforms are not decision-making bodies. As they lack decision making power, MPs are far too

often put off from participating. These could be fora for a true cooperation between national parliament and the European Parliament to engage more among themselves.

But democratic legitimacy is also about the popular accountability of institutions. This might come through procedures such as the election by the European Parliament of the Commission President, through an enhanced transparency of the European Council, higher participation in the European elections, as well as the transparency of the policy making process.

The transparency of the policy making process will certainly receive a boost from the measures of accountability envisaged in the context of the new economic governance and financial sector reforms. The economic dialogues created in the context of the European Semester, the six-pack and two-pack, as well as in the context of the Single Supervisory Mechanism and the Single Resolution Mechanism, the first two pillars of the European Banking Union, will enhance Parliament's accountability. While these policies will certainly provide a transparency boost, we should not become complacent. Additional measures of accountability will need to be put in place once new instruments or bodies are created. Here I have in mind the potential competitiveness and convergence instrument (CCI, which would offer targeted funding for structural reforms under the European Semester and would take the form a contractual arrangement between the Union and the member state concerned) as well as, hopefully, the Single Deposit Guarantee Scheme (the third and final pillar of the European banking union). It is only natural to expect that Parliament should exercise some form of control over these mechanisms. The CCI instrument will moreover offer an ideal opportunity for the European Parliament to collaborate with the national parliament of the member state in receipt of financial support. The challenge is that it seems to be completely ignored by the Council.

With an enhanced role of the Parliament in the decision making process come also new internal challenges, which burden the efficiency of Parliament. They concern a range of issues, including efficacy, effectiveness and impact assessment.

One is a result of a growing number of holistic issues, which may lead to conflicts between the different committees when it comes to competences. This can occur when more than one committee, beyond the one with key competences in the subject matter, requests to be involved in the legislative process, and can lead to delays in the deliberations. The problem is the result of an enhanced use of Rule 50, from the Parliament's Rules of Procedure, which now encompasses not only legal texts, but also own-initiative reports.

Parliament also remains sectorally structured while dealing with challenging policies, which are not based on a silos approach.

And finally, the European Parliament has also been at the forefront of flexibility concerns, understood as the need for a Union body and Union policies to cater to the needs of the 27 member states and not side-lining the group of non-euro members.

The crisis has generated novel layers of differentiation in the Union. The bulk of crisis driven reforms targeted the common currency area. Non-euro area members aspiring to join the euro were not always taken on board in the reforms on an equal footing with their euro counterparts. Moreover, different appetites for union reforms were also displayed both within the euro and non-euro group of member states. These trends exposed the difficulty the EU faces in dealing with its heterogeneity. It also called into question the cohesion, solidarity and integrity of the Union.

The role the European Parliament should play in light of increasing differentiation has been a subject of intense debate for a while now. Already in 2012, the idea of having a separate committee or a subcommittee devoted exclusively to EMU matters was circulated in the Parliament. A series of discussions followed thereafter, with no concrete decisions taken and the matter finally deferred to the deliberation of the new Parliament.

Although driven mainly by the legitimacy reasons, the idea of having a separate euro area committee brings about a number of serious concerns. We need to remember that the euro is ultimately the currency of the Union (Article 3 TEU) and the Parliament is the parliament of the Union (Article 14 TEU), as well as that MEPs do not represent their states, but are the representatives of the Union's citizens (Article 14 TEU). We should also bear in mind that according to the Treaty of Lisbon, all citizens are equal.

Moreover, while at the level of the Council and the European Council, where member states are formally represented, arrangements have been made for eurozone governments to meet on their own, such differentiation is not applied or allowed by the authors of the Treaties to the European Commission, European Parliament or European Court of Justice, where member states as such are not formally represented. The integrity of EU law, its effective and uniform implementation across the Union as a whole and the guarantee that the Treaties are respected require unitary or collegiate action by Parliament, Commission and Court. Finally, while Parliament is organised in different groups and committees, all those bodies are always open to all Members and all members have the legal right to vote. The mandate of the members is not divisible or segmented according to or on behalf of the policies of the member states in which they are elected. All these arguments seem to weigh in favour of refraining from creating such a new committee.

Before I conclude, allow me to say a few words also about the Commission Presidency, in which Parliament will have a decisive say over the coming weeks. At the moment, it is looking as though EPP candidate and former prime minister of Luxembourg, Jean Claude Juncker, might obtain the post, having also Mrs Merkel's backing. However, the meeting attended by German, British, Dutch and Swedish leaders yesterday in Stockholm indicates that political pressure is mounting to have an alternative candidate, which would also be backed by the UK. The UK has even threatened that the appointment of Mr Juncker may make a UK opt-out more likely. This may sway the final decision away from Mr Juncker. In these circumstances, other candidates are standing in line, among them Christine Lagarde was until recently the favourite. With Mrs Lagarde having made a public statement however

that she is not interested in the job, the question about Europe's top leader remains open.

The outcome will be decisive for democratic legitimacy however and the Parliament has repeatedly voiced its views that it would not accept a candidate who had not been officially nominated by one of the major political groups ahead of the elections. At the same time, however, we may wonder whether the vetoing of a proposed candidate by the European Council is a muscle the Parliament will want to flex. Such a move would add fuel to the euroskeptic fire burning already in the legislative body. We need strong leaders not only when it comes to the Commission presidency, but in other top EU posts as well, ranging from the Council, to the Parliament and to the individual commissioners. These will need to be innovative, flexible and forward looking personalities who will need to tackle a series of difficult questions once they take office, including:

- How to persuade a disconnected electorate of the benefits of EU?
- How to help young people find jobs?
- How could the EU take advantage of the higher growth rates in emerging markets?
- How to make the single market a more attractive and effective internal market?
- How to improve Europe's energy security at an affordable cost?
- How to face the rise of anti-immigration rhetoric?

Regardless of who the chosen leaders, and in particular Commission head, will be, we must also think about the days ahead. In order to set the scene for the years to come, at the beginning of the legislature, the Commission should submit a five-year legislative plan to the European Parliament and the Council. This strategic legislative plan should focus the annual structural dialogue between the Commission and the European Parliament, which should also promote the use of own-initiative legislative reports. Once the European Parliament gives its ok to the programme, the president of the Commission can then effectively give the mandate to various clusters within the Commission on the basis of his/her programmatic speech in the European Parliament. This new approach would also have an impact on the way hearings are organised with potential commissioners.

The election results have unfortunately reminded us that European integration may not be inevitable. This is a message which is very hard to digest of course, but one which nonetheless also bears a silver lining. We know that a genuine EMU ought not to be taken for granted, but fought for and earned. We also know we have the tools, the political will and experience to obtain it. This is why it is time to shift our machinery into high gear and win back Europe. I hope to look back on this day at the 2019 elections and happily remark that we have succeeded in our endeavour.