



# A WINDOW OF OPPORTUNITY TO UPGRADE EU FOREIGN POLICY

Stefan Lehne



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# Contents

About the Author	v
Summary	1
Introduction	3
The Challenge in the East—and the South	3
2014: A Year of Institutional Renewal	5
The Implementation of the Lisbon Foreign Policy Reforms	6
A Missed Opportunity for Deeper Change	8
Choosing Effective New Leaders	10
Reorganizing the European Commission Into Clusters	13
Conclusions	16
Note	19
Carnegie Europe	20



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## About the Author

**Stefan Lehne** is a visiting scholar at Carnegie Europe in Brussels, where he researches the post-Lisbon Treaty development of the European Union's foreign policy with a specific focus on relations between the EU and member states.

From 2009–2011, Lehne served as director general for political affairs at the Austrian Ministry for European and International Affairs. Prior to that position, from 2002–2008, he served the General Secretariat of the Council of the European Union as director for the Balkans, Eastern Europe, and Central Asia. Previously, he was head of the Task Force for Western Balkans and Central Europe. He has held a number of other appointments in the Austrian Ministry of Foreign Affairs and was a researcher at the Austrian Institute for International Politics.

Lehne's work on issues of European foreign and security policy has been widely published in a number of academic journals, including *Integration*, the *Austrian Journal of Political Science*, and *Europa Archiv*. In addition, he has authored a number of monographs on the Conference on Security and Cooperation in Europe.



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## Summary

As the financial crisis recedes and the European Union (EU) regains a measure of internal stability, pressure in Europe's neighborhood is on the rise. The Ukraine crisis and turmoil in the Middle East and North Africa have elevated foreign policy to the top of the EU's agenda. Whether the EU can make its external action more effective will depend in large part on institutional decisions made in 2014—the selection of a new leadership team and the reorganization of the European Commission.

### Mismatched Tools and Tasks

- To resist Russian pressure on Eastern European countries and support them in building closer relationships with Europe, the EU needs to create a more coherent foreign policy and fully mobilize its resources.
- Equally serious risks to EU security will likely arise in its Southern neighborhood, where mass poverty, weak state structures, and religious radicalism threaten stability. The EU is at present unequipped to address these challenges.
- The strengthening of the high representative and the creation of the European External Action Service (EEAS) provided by the Lisbon Treaty have brought improvements but have not turned the EU into a credible international actor.
- It is still not possible to pull together the powerful instruments of the European Commission regarding trade, aid, and enlargement and the EU's foreign policy tools in support of effective external action.
- While a 2013 review of the EEAS offered a chance to address design flaws, it essentially failed to improve the situation. But a new opportunity is opening up.
- Following European Parliament elections in mid-2014, a new high representative, president of the European Commission, and president of the European Council will be appointed and the commission will be reconstituted.

### Steps to a More Coherent and Comprehensive Foreign Policy

**Get the right people in the top jobs.** The EU needs real heavyweights who are capable of leading and supporting an ambitious foreign policy.



**Reorganize the European Commission into policy clusters.** Portfolios would be grouped in topically related clusters centered on key commission tasks. One commission vice president would head each cluster. This would allow the high representative to better coordinate matters of external relations and foreign policy.

**Appoint deputies to the high representative.** The council should mandate that two or three of the commissioners working on enlargement, the neighborhood, or development act as deputies for the high representative's political tasks.

**Undertake efforts to prepare such reforms rapidly.** Consultations need to include member states and the European Parliament.

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## Introduction

The European Union (EU) is once again facing a moment of truth in its development as a foreign policy actor. Having struggled for years to overcome the ambivalence of member states and institutional fragmentation, the EU is not punching its weight on the international stage. Burdened from its inception with a host of challenges, the EU's new foreign policy arm, the European External Action Service (EEAS), is still struggling to find its footing. But events in 2014 could bring about a change for the better.

The last window of opportunity to significantly transform the EU's foreign policy came with the 2013 EEAS review. By and large that opportunity was wasted. Now, with external pressures building in the East and the South, business as usual is no longer an option. The EU finally needs to raise its game in foreign and security policy. The change in top leadership positions and the establishment of a new European Commission that will take place in 2014 offer an opportunity to significantly upgrade the EU's foreign policy capacity. It must not be missed.

## The Challenge in the East—and the South

The Ukraine crisis could transform EU foreign policy, much like the September 11, 2001, terrorist attacks transformed U.S. foreign policy.

External threats and crises have always been a determining factor for the EU as an international actor. The Balkan wars of the 1990s acted as an incubator for the union's Common Foreign and Security Policy. Europeans' failure to stop the bloodshed in Croatia and Bosnia during the conflict that followed the breakup of Yugoslavia and their humiliating dependence on U.S. leadership prompted the EU member states to become more serious on foreign and security policy.

More recently, the Arab Spring and its consequences could have had a similarly galvanizing effect. However, because the EU was going through an existential struggle with the financial markets, it simply chose not to rise to the challenge. Certainly, the EU reviewed the European Neighborhood Policy that is meant to support structural reforms in Southern and Eastern partner countries, took some diplomatic initiatives, and deployed modest additional resources. But altogether the EU failed to show a determination to play a significant role in shaping regional developments.

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**The Ukraine crisis could transform EU foreign policy.**

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For a number of reasons, the Ukraine crisis is different. Unlike in Libya, Egypt, or Syria, where internal power struggles eventually led to international implications, in the case of Ukraine, the EU found itself in the thick of developments from the very beginning.

Ukraine had been inching closer to Europe, and the prospect that the country would sign a political and economic association agreement with the EU in November 2013 angered Moscow. In response, Russia increased the pressure on Kiev not to sign. Then, in February 2014, “Euromaidan” antigovernment activists waved the EU flag as they brought down the regime of former Ukrainian president Viktor Yanukovich. The country’s new interim government considers EU integration its main objective. Russian President Vladimir Putin’s annexation of Crimea and pressure on eastern Ukraine is meant to make this impossible.

For the first time, the EU finds itself in a geopolitical competition with a self-declared adversary. The EU did not seek this confrontation, which was mostly imposed on it by Putin’s zero-sum approach to the region. But whatever the causes, the EU today faces a resourceful and ruthless opponent—a radical change from traditional EU crisis management, which was about reducing risk rather than winning a fight. All this means that the Ukraine crisis is—to paraphrase U.S. President Barack Obama—a crisis of necessity, not a crisis of choice. The EU will have to find the strength to rise to the challenge or face one of its most serious foreign policy setbacks.

It is true that much of the initial response to the crisis has appeared more like a throwback to the bipolar constellation of the Cold War than a new era of foreign policymaking. Washington interrupted its pivot to Asia to engage in active diplomacy and take the lead on sanctions against Russia. Direct contacts between Obama and Putin and between U.S. Secretary of State John Kerry and Russian Foreign Minister Sergei Lavrov dominated the news. The North Atlantic Treaty Organization (NATO), whose future has been debated since the end of the Cold War, suddenly seemed rejuvenated. Even the Organization for Security and Cooperation in Europe was back in business.

However, this return to classical bipolarity is likely to be temporary. The long game for the future of Ukraine and Eastern Europe will be determined by different dynamics. While the EU has every interest in maintaining U.S. and NATO involvement in the region, Washington will reduce its present level of engagement and return to its other geographic priorities as soon as the acute phase of crisis management is over. This means that in all probability, the EU will have to carry the main burden in this region. If the EU’s strategic objective is to support the modernization of its Eastern neighbors as democratic states that can determine their own future, it faces a challenging agenda.

The EU will have to help the new leadership in Kiev overcome daunting economic, political, and social problems. It will have to encourage Ukraine to pursue inclusive policies toward the country’s Russian-speaking population and

avoid the political fragmentation that largely destroyed the achievements of the Orange Revolution of 2004–2005. The EU will have to give similar support to Moldova and Georgia. It must also be prepared to counter further Russian efforts to destabilize Eastern European states and, if necessary, resort to substantive sanctions, even though they might come at considerable cost to EU member states. At the same time, the EU will need to keep its communication channels with Moscow open and hold out the promise of a strong, mutually beneficial relationship once Russia returns to respecting international norms.

To date, serious differences in member states' views and interests regarding Russia and Europe's East have handicapped the EU's policies toward the region. Responding effectively to Putin's challenge will require more cohesion and determination than the EU has mustered. The risk of failure is considerable, and the potential consequences are grave. Just as the EU mobilized for decisive action at the height of the euro crisis, it must now do so again.

But Ukraine is not the only external challenge the EU faces. Although this crisis in the East is new in its nature and urgency, it is unlikely to be the biggest foreign policy problem facing the EU as it enters its next five-year institutional cycle.

In fact, the greatest risks to European security are likely to arise in the South. The political transformation of the Arab world is far from over. A huge region from Oman to Niger faces increasing turmoil. The combined pressures of mass poverty, political mobilization, and religious radicalism, aggravated by the consequences of climate change, will continue to undermine weak state structures and spread instability across the region. Libya already bears the markings of a failed state. If economic decline is not halted, Egypt could face a breakdown. The Syrian conflict could spread to Lebanon and Jordan. Even outwardly stable countries, such as Algeria and Saudi Arabia, could face dangerous succession crises. It is impossible to predict from which part of the region the next threat to European stability will come, but it is almost certain that such dangers will arise.

At present, the EU is woefully underequipped to deal with these problems. The experiences of Egypt, Libya, and Syria have shown that neither the European Neighborhood Policy nor the EU's instruments of diplomatic, civilian, and military crisis management are sufficient to allow the union to play a genuine and sustainable stabilizing role in its surrounding regions. Developing such a capacity should be one of the top priorities of the new EU leadership.

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## 2014: A Year of Institutional Renewal

While storm clouds are rising in the East and the South of the EU, there appears to be a chance for calmer seas on the internal front. The acute phase

of the euro crisis, which absorbed all of the EU leaders' attention in recent years, seems to be over. The financial markets are relatively stable, there are signs of recovery even in the Southern periphery, and the defenses that the eurozone has rapidly thrown up over the past few years have entered a phase of consolidation. Granted, many of the structural flaws of the monetary union have not been tackled, and the risk of renewed challenges from without and within remains high. But as the financial markets calmed down so too did the debate on further reforms. Significant treaty change appears to be off the table for the moment.

The near future will most likely be marked not by transformation but by institutional renewal. Following May's European Parliament elections, the EU will elect a new leadership team and eventually a new European Commission. The increasingly difficult geopolitical environment should convince EU governments and institutions to opt for ambitious solutions that can enhance the union's effectiveness as an international actor.

## The Implementation of the Lisbon Foreign Policy Reforms

The Lisbon Treaty included provisions for upgrading the role of the EU foreign policy high representative and establishing the European External Action Service. The implementation of those reforms has delivered some improvements in the way the EU runs its foreign policy, but it has also led to a number of disappointments.

The treaty ended the system under which the chair of EU foreign ministers' meetings and many of the working groups rotated among member states every six months. That has provided the EU's foreign policy with more continuity and, in some respects, greater professionalism. However, this reform came at the price of losing the ambition and energy that the traditional presidency system brought to the table and has reduced the member states' sense of ownership.

With Lisbon, the high representative was given a second hat to wear—the holder of the position also became a vice president of the European Commission. In some areas, such as crisis management or the preparation of summit meetings, this reform has facilitated greater coherence between the EEAS-led Common Foreign and Security Policy and the European Commission-led external competences. Yet, the hope that the EEAS would play an effective overall role in coordinating the various aspects of external relations has so far been disappointed.

Bundling so many different functions into the role of high representative has created a powerful position at the center of EU foreign policy. But it has also massively overburdened the holder of this office, who is unable to meet all the

expectations. It has so far not been possible to alleviate this situation through an effective system of deputizing.

The EEAS includes a number of excellent professionals and has overcome many of its teething problems. The Brussels foreign policy machinery functions more smoothly than before. However, the service has yet to develop a solid institutional identity and a shared sense of mission.

In the countries with which the EU has relationships, EU political functions used to be carried out by embassies of the member state holding the rotating presidency. The Lisbon Treaty transferred that responsibility to EU delegations, and the shift has been a clear success. It has given the EU more visibility and a stronger voice around the globe.

But in many places, the delegations still lack the capacity to fully exploit the potential of their new role. And they suffer from internal divisions between EEAS and commission staff that also bedevil operations in Brussels.

The fact that the implementation of the Lisbon Treaty did not fully exploit the potential of these reforms is partly due to the difficult conditions in existence when the system was set up. The euro crisis distracted the EU's top leaders from foreign policy matters, reduced the EU's confidence and ambitions in this field, and diminished the union's soft power. The crisis also severely curtailed the resources necessary to establish a new institution, the EEAS.

Yet, the euro crisis is not the only factor that has limited the success of the post-Lisbon Treaty system. The ambivalent attitude of a number of key stakeholders has been at least as problematic.

In devising the Lisbon Treaty structures, EU member states wanted to overcome some of the deficits of the inter-governmental approach, but they did not want to reduce their own national foreign policies' room for maneuver. The big member states in particular were not prepared to empower the EU's central institutions to assume a leading role, and the informal steering role of the largest EU member states has not been diminished. Some of the smaller member states with generally modest foreign policy ambitions were little interested in a significantly more activist and engaged center of operations in Brussels that might drive up the costs and risks of their foreign policymaking.

Nor was the European Commission prepared to accept the limitations on its lead role in external relations that would result from giving the EEAS an effective coordinating function. Therefore, European Commission President José Manuel Barroso did not allow the high representative to assume a leadership role among those commissioners dealing with aspects of external relations. Many commission officials initially regarded the EEAS as a Trojan horse designed to repatriate commission competences to the member states.

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Over the three years since the EEAS was set up, relations between it and the commission have improved, and a culture of cooperation is slowly developing. Nonetheless, whether coordination happens still depends in large part on goodwill and personal chemistry between individual officials in the two institutions.

## A Missed Opportunity for Deeper Change

While there is a debate in the EU foreign policy community over whether the EEAS's glass is half full or half empty, most would agree that it would be useful to add more water. The political decision that established the EEAS provided for a review of the service in the summer of 2013. When the review came around, expectations were high that it would offer an opportunity to assess the progress achieved and address some of the service's design flaws. The European Parliament, many member states—most prominently a group of fourteen countries led by Germany—and a number of think tanks and academic institutions prepared studies and position papers to this end. However, the actual review process was marked by the ambivalence of key stakeholders and ended in disappointment.

After initial hesitation in approaching the subject, High Representative Catherine Ashton submitted her report in June 2013. Although based on preparatory work carried out in the EEAS, the document very much bore her personal imprint. In it, she laid out the progress achieved in setting up the service against a backdrop of difficult circumstances and made a number of recommendations for short- and medium-term improvements, picking up on many of the ideas contained in the papers of the European Parliament and the fourteen member states.

While hardly revolutionary, the report seemed to indicate some ambition to overcome the deficits of the existing setup. Ashton suggested streamlining the structure of the EEAS to reduce its top-heavy management, better integrating crisis management structures into the EEAS, and strengthening the service's capacity to provide strategic direction. She placed special emphasis on improving cooperation between the EEAS and the commission, particularly through better coordination among the external relations commissioners and within the EU delegations, which currently draw one-third of their staff from the EEAS and two-thirds from the commission. Ashton also supported more systematic cooperation between the EEAS and the member states, especially on the ground in third countries. She highlighted the importance of better arrangements allowing the high representative to appoint deputies to reduce the impossible workload.

Yet when the report was discussed with the member states, hopes for a significant reform effort were quickly dashed. Ashton hardly engaged in the process at all, leaving the defense of her ideas to EEAS officials. The commission focused on protecting its own areas of jurisdiction and opposed changes to

relevant legislation. Member states welcomed the overall thrust of Ashton's paper and reiterated their support for the EEAS, but most of them had some reservations concerning individual recommendations. When these objections were taken together, there remained hardly any common ground on the substance of the proposals.

The meager outcome of the discussions on the review is reflected in the EU Council conclusions of December 2013. Members of the council broadly endorsed Ashton's short-term recommendations, which can be implemented within the existing legal framework. On more important issues, such as crisis management and cooperation between the EEAS on one side and the commission and member states on the other, the council limited itself to generalities. The medium-term recommendations were postponed for later. The only operational outcome of the review was a mandate for the next high representative to present a new report on the functioning of the EEAS by the end of 2015, including proposals for possible legislative changes.

While the relative failure of the 2013 review was indeed a setback for those who support a stronger EU foreign policy, the significance of this missed opportunity should not be exaggerated. With the benefit of hindsight, it is clear that the timing of the review was unfortunate. Many felt that just two years after the EEAS was established, too little time had elapsed to fully assess the functioning of the new service and to draw firm conclusions regarding improvements.

Old battle lines also impacted the process. Ashton was not eager to expend a lot of time and energy on reforms that would only benefit her successor. The main players in the commission and the council still remembered the bitter fights of the negotiations that led to the decision to establish the EEAS in the first place. Toward the end of the mandate of the present EU leadership team, few were prepared to renew these battles, particularly as it was clear that the basic positions had barely shifted.

Crucially, discussions on the EEAS review took place in the typical Brussels "bubble," where institutional power games dominate and the outside world barely intrudes.

Seen through the prism of mounting instability in Europe's East and South, the review might have produced different results. But the EU leadership now has another chance to take a broader view. External challenges loom larger than before, increasing the pressure to make real change.

There are two events in 2014 that could have equal or even greater impact on the future development of the EU's post-Lisbon Treaty foreign policy structures than any formal review process. One is the selection of a new EU leadership team following May's European Parliament elections; the other is the establishment of a new European Commission in the fall. Hopefully this time the urgency of the EU's international situation will come into play.



## Choosing Effective New Leaders

Much of the EU's future foreign policy success will depend on those chosen for the top positions. Following the European Parliament elections, the EU will decide on a new president of the European Commission, a new president of the European Council, and a new high representative. The personnel package could also possibly involve a permanent chair for the Eurogroup and a new president of the European Parliament.

Of all the positions that will be filled, the one of high representative will have particular significance for the EU's foreign and security policy.

### The High Representative

History is likely to be kind to Catherine Ashton. She will be remembered mainly for three major accomplishments. The first was an agreement to normalize relations between Serbia and Kosovo in April 2013, which helped defuse one of the remaining hot spots in the Western Balkans. The second was an interim agreement with Iran on its nuclear program signed in November 2013. And the third one was setting up the EEAS.

The Serbia-Kosovo deal is very much Ashton's personal achievement. With ingenuity and persistence, she brought the two prime ministers together for a long series of meetings and steered their negotiations to a successful conclusion. On the Iran nuclear issue, Ashton did not shape the policy but rather served as chair and spokesperson of the 5+1 group of the five permanent United Nations Security Council members plus Germany to implement a strategy essentially designed in Washington. She fulfilled this task with great skill and thereby contributed to the success of the interim agreement. Finally, while the EEAS has significant shortcomings, setting it up under the difficult conditions of the euro crisis was no mean achievement.

Yet the fact remains that despite these successes, Ashton was not an obvious candidate to be the first post-Lisbon Treaty high representative when she was appointed in 2009. She lacked the political stature, the network, and the relevant foreign policy experience to fill a massively expanded and complex role. As often happens in EU personnel decisions, her selection was not the result of carefully matching personal qualities with the requirements of the job but rather a matter of ticking boxes to achieve a balanced overall package.

Just as was the case in 2009, the appointment of Ashton's successor will be part of a set of personnel decisions. Once again, there will be the temptation to focus first on the commission president then on the president of the European Council and to approach the choice of the high representative as a balancing operation. This would be a bad idea.

In terms of substantive politics the high representative cannot be stronger than the Common Foreign and Security Policy itself, which means that everything still depends on achieving agreement among the EU's 28 member

states. But in institutional terms, the high representative has been given almost monarchical authority over the EU's 3,600-strong diplomatic service. Unlike in the commission, where important personnel appointments are based on collective decisions involving complicated procedures, the high representative basically has a free hand in shaping the structures and appointing the entire management of the EEAS. It is questionable whether it was wise to concentrate so much institutional power in the high representative, but this was the result of the negotiations that led to the service's creation. As a result, there is every reason to choose the next person for this job with a great deal of care.

The high representative's central position in the EU's post-Lisbon Treaty foreign policy structures makes this appointment an important indicator of the EU's level of ambition. The increasing turmoil in the EU's Eastern and Southern neighborhoods should convince European leaders that the time has come to raise the EU's game in foreign and security policy. Appointing a real heavyweight as high representative would give concrete expression to this aim.

This happened once before. When EU leaders first created the position of high representative in 1997, the member states wished to preserve the primacy of the EU's traditional system of a rotating presidency, including in foreign policy. They therefore provided for only a very modest—essentially supportive—role for this new office. The expectation at that time was that the job would go to a high-ranking government representative or official though not a full-fledged minister. But following the 1998–1999 Kosovo war, during which the United States dominated crisis management and marginalized EU actors, EU leaders decided to upgrade the position of high representative by appointing a high-profile personality, namely then NATO secretary general and former Spanish foreign minister Javier Solana. This decision paid off, as Solana used his personal authority and his network to raise the profile of the position and, thereby, that of the EU's foreign policy as well.

In 2014, the turmoil in the EU's neighborhood, in particular the Ukraine crisis, presents a similar moment of truth and should prompt the European Council to select a heavyweight and experienced personality for the position of high representative.

Appointing such a leader appears even more important now as the EU has, even before selecting Ashton's successor, already assigned the new high representative additional tasks. The review of the EEAS that will take place in 2015 should involve legislative reforms as well (they were postponed in the 2013 review). Moreover, the European Council decided in December 2013 that in 2015 the new high representative should also present a report on the impact of changes in the global environment and on the challenges and opportunities arising from them for the union. While the formulation is very cautious,

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reflecting British misgivings, this nevertheless amounts to a mandate to write a new strategy for the EU's external action, a vital opportunity for setting priorities and matching means and instruments to these priorities.

The EU has therefore charged Ashton's successor to reshape the hardware and the software of EU foreign policy. All the more reason to make sure that the selected personality is up to the task.

### **European Council President**

There is a strange paradox at the heart of the Lisbon foreign policy system. The new treaty has given the European Council the leading role in foreign and security policy. This corresponds to developments in the member states, where over the past decades the presidents and prime ministers have emerged as the central foreign policy actors, whereas the foreign ministers have lost ground almost everywhere. The treaty has also stipulated that the foreign ministers are no longer part of the European Council. Yet, at the same time the Lisbon Treaty has given the president of the European Council only a rather vague mandate for foreign policy. The president has the task of ensuring "at his level and in that capacity . . . the external representation of the Union on issues concerning [the Common Foreign and Security Policy], without prejudice to the powers of the High Representative."

This mandate means that the high representative rather than the president is the centerpiece of the EU foreign policy structures. The high representative attends the meetings of the European Council, but the position's primary institutional partner is the council of EU foreign ministers, which the EEAS head chairs.

As the first president of the European Council, Herman Van Rompuy opted for a low profile, essentially limited to participation in summits and meetings with foreign dignitaries. This might have been partly a matter of personal inclination, but without a doubt the job of managing the financial crisis dominated Van Rompuy's mandate and left little free capacity for international issues.

If the financial crisis recedes, it is likely that the European Council will once again become more active on foreign policy. Theoretically, this could also raise the international profile and visibility of its president.

However, the actions of any European Council president will be constrained by institutional shortfalls. Lacking staff, instruments, and relevant resources, the president will have to rely on support from the high representative, who—as the treaty makes clear—is not under the president's authority. The key to a successful interaction between the EU's central decisionmaking body, the European Council, and its operational arm, the high representative and the EEAS, therefore lies in real and effective teamwork between the president and the high representative.

## European Commission President

Another EU leadership position in the package, the president of the European Commission, certainly does not lack international clout. The commission has the lead in a broad array of external relations ranging from trade to enlargement to development. It is also at the forefront of important external dimensions of internal policies such as climate change and migration. The EU's annual external relations expenditures amount to €14 billion (\$19 billion) according to the Multiannual Financial Framework 2014–2020, more than 20 times the amount spent every year on the Common Foreign and Security Policy.

The new commission president can make a valuable contribution to a stronger EU foreign policy by empowering the high representative to assume a coordinating role among those commissioners dealing with external relations and thus better integrate external relations with foreign policy. The formation of the next commission offers a new opportunity to move in this direction.

## Working Together

If a professional headhunting firm were tasked with selecting the future EU leadership team, it would investigate the mutual compatibility of the various candidates, as a great deal depends on their ability to cooperate closely and efficiently. This is obviously too much to expect of the European Council, but the members of this body should at least clearly state their expectation that the future team agree on a better division of labor.

EU leaders spent far too much time during the last mandate negotiating participation in international meetings and discussing speaking roles, seating arrangements, the wording of statements, and similar matters. The EU's overly heavy presence in many international conferences is often a source of confusion and irritation. A better-coordinated and leaner representation would significantly enhance the EU's international effectiveness.

## Reorganizing the European Commission Into Clusters

One of the architects of European integration, Jean Monnet, once said, "Nothing is possible without men [and women, one would add today], nothing is permanent without institutions." That is why the way the European Commission is set up for the next five years is so important. And a reorganization of the commission can help ensure that the EU is better equipped to respond to today's serious external challenges.

In recent years, the commission has gone through paradoxical developments. On the one hand, it has gained new powers as a result of the euro crisis. The commission now monitors and enforces fiscal discipline across the euro-zone under new rules aimed at reducing budget deficits and public debt. On

the other hand, the commission's lead role in driving the European integration process has weakened considerably. It remains a key player not least because it maintains a monopoly on proposing legislation, but its political authority is a pale shadow of what it used to be.

There are various explanations for this. Since the 1990s, the European Council has become the focal point of EU decisionmaking, reducing the lead role of the commission. This tendency was reinforced during the euro crisis, when the leaders of the largest member states asserted their dominance. Today, Merkel's word carries much greater weight than Barroso's. As the European public has become more skeptical toward the EU, confidence in the Brussels-based institutions has declined. There is a pervasive feeling in the European business community and the public at large that the commission tends to be

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hyperactive in proposing overly detailed regulations and does not sufficiently focus on key priorities. The rise of Euroskeptic populist parties that cultivate the myth of the commission as a power-hungry bureaucratic monster has also hurt the body's image.

In addition, the massive increase in the size of the commission following the EU's 2004 enlargement played a negative role. There are more commissioners today than

relevant commission areas of jurisdiction. As every member of the commission aims for a high profile and wants to leave a mark, the proliferation of portfolios contributes to regulatory activism. Moreover, while the College of Commissioners was once a place for substantive discussions, today, with each of its 28 members named by a member state, it has become a rubber-stamping operation. Real decisionmaking happens in the context of a smaller framework, essentially among the president, the commissioner in charge of a particular dossier, and the commission's secretary general. "Collegiality," once a core principle of the commission's work, has been significantly weakened.

As a result of these trends, many commissioners tend to regard themselves primarily as representatives of "the state they know best" (the politically correct way to refer to their home country). This contradicts the very concept of the European Commission. When taking office, every commissioner takes an oath "to be completely independent in carrying out . . . [his] responsibilities, in the general interest of the Union."

The obvious remedy would be to reduce the size of the commission to the number of significant tasks. The member states have not agreed to this, and they are not likely to do so. But now might be the right time to resort to another idea that could considerably improve the functioning of the commission—namely to reorganize it on the basis of clusters.

In a cluster-based system, each member state would continue to nominate a commissioner, but the portfolios would be grouped in five to seven topically related clusters centered on key commission tasks, such as external relations,

economy, citizenship, natural resources, and administration. Every cluster would be headed by one vice president of the commission. Whereas the position of vice president has so far been little more than an honorific title, the new vice presidents should have real authority in overseeing the work within a cluster, including having to agree to place an item on the commission's agenda.

This system would enable the commission to coordinate better among related areas, set strategic direction, improve decisionmaking, and reduce the urge toward excessive regulation. Collegiality among commissioners—at present a fairly empty concept—would be enhanced, as real teamwork within the various clusters would be encouraged.

Such a significant structural reform of the commission would no doubt be controversial. A new president might see the idea of empowering vice presidents as a threat to his or her prerogatives.

However, this would be shortsighted. Like in a private-sector corporation, a stronger top management team working under the commission president's direct guidance would ultimately enhance his or her authority. A revamped setup could address concerns from smaller states that the vice presidents would all come from big countries by rotating the vice presidents among member states (except in external relations) every two and a half years. It should also be made clear that all commissioners would continue to be equal when it comes to participation in collegiate decisionmaking.

While reorganizing the entire commission on the basis of clusters would be useful, it can be argued that on external relations in particular, it is actually necessary and even prescribed in the EU's treaty. That document charges the high representative with ensuring the consistency of the EU's external action and coordinating its various aspects. Yet this provision has not been fully implemented during the past five years. Barroso did not empower Ashton to assume this coordinating role. Her hat as a vice president of the commission has remained largely ornamental. The various commissioners dealing with EU external relations have met rarely and hardly ever under her chairmanship. In fact, they have operated mostly autonomously, with only limited and ad hoc coordination.

In the new commission, the external relations cluster, encompassing trade, development, the neighborhood, enlargement, and humanitarian assistance, should meet regularly under the direct authority of the high representative. Commissioners dealing with internal competences that have major external dimensions, such as justice and home affairs (migration) or the environment (climate change), should be associated to this work as necessary. A secretariat composed of officials from the EEAS and the Secretariat General of the Commission should prepare meetings.

Introducing a cluster system would also help solve the problem of deputizing for the overburdened high representative. If the various external relations commissioners were working under the high representative's authority, it would be logical to allow some of them to act as deputy high representatives as well.

This would be particularly appropriate for the areas of enlargement and the neighborhood as well as for development, with particular emphasis on Africa. Deputizing these commissioners could easily be done within the existing treaty framework. It would just require relevant decisions by the EU foreign ministers and, of course, commissioners who would be well-suited for this double task.<sup>1</sup>

Implementing such a system would go far beyond a mere rearrangement of bureaucratic structures. It would revive the core idea behind the Lisbon Treaty reforms, namely to mitigate the division between classical foreign policy and the commission's external areas of jurisdiction and provide the missing link to operationalize the double-hatting of the high representative. Effective coordination between the powerful external policies of the commission and the EU's overall foreign policy would greatly improve the EU's capacity to pull together all its various assets and instruments and act in a truly comprehensive fashion.

The groundwork for a cluster system for the entire commission, or even just an effective external relations cluster, would have to be laid well. Under the EU treaty, the president of the commission has essentially a free hand in allocating portfolios and organizing the work of the commission, even though the president naturally consults with member states on these matters. Ideally, a solid case for reform can be built even before a new commission president is elected. From the beginning, the new leader of the commission should have a clear idea of what is expected. This understanding would also facilitate the choice of the best-suited personalities for the various external relations portfolios.

Given their powerful role in EU decisionmaking, bringing the big member states on board would be particularly important. Germany is likely to welcome the strengthening of the position of high representative that the cluster system would provide. The United Kingdom would have to be assured that the proposed steps do not require additional powers for the EU but rather amount to completing the implementation of the Lisbon Treaty reforms. France might have to overcome some of its traditional concerns regarding the commission meddling in foreign and security policy and would need to be reassured that member-state governments remain the primary decisionmakers in this field.

All of this is necessary to ensure that the EU can effectively address challenges in its Southern and Eastern neighborhoods. A cluster system would allow stronger leadership by the high representative in the various areas of external relations and would strengthen information sharing, coordination, and teamwork among all relevant commissioners. It would result in an EU that can act more rapidly and that is capable of uniting its different strengths and capacities in coherent action.

## Conclusions

After several years during which the EU focused almost exclusively on overcoming the internal problems of the eurozone, the Ukraine crisis has raised

foreign policy on the EU's agenda. Supporting Eastern European countries on their way toward a closer relationship with the EU and resisting further Russian pressure will require an unprecedented level of coherence among member states and the full mobilization of the EU's resources. Responding to the challenge from the East should not distract attention from the EU's turbulent Southern neighborhood, where equally serious risks can emerge any-time. The relative calm in the financial markets and the consolidation of the eurozone should enable the EU to temporarily shift its attention and priorities toward external challenges.

The two institutional decisions that are looming—the selection of a new leadership team and the recomposition of the European Commission—will help determine the EU's future capacity as an international actor. Hopefully, the Ukraine crisis and the increasing instability in the South will prompt member states to overcome their ambivalent attitude toward the post-Lisbon Treaty foreign policy structures and select high-profile, heavyweight personalities who can help develop an ambitious foreign policy. And reorganizing the commission in a way that allows for better coordination among external policies and the Common Foreign and Security Policy would greatly enhance the EU's ability to pull all its assets together and act in a coherent and comprehensive fashion.

Of course, these institutional decisions alone will not suffice to transform EU foreign policy, which will still depend crucially on member states' political will. However, the decisions could be the first tangible expression of a greater determination to raise the EU's foreign policy game.

The months until the appointment of the new commission in the fall of 2014 present a narrow window of opportunity to significantly upgrade the EU's foreign policy infrastructure. As such decisions are made only every five years, much is at stake. This could be the moment that the EU finally becomes serious about foreign policy. But the coming decisions could just as easily mark another sadly wasted opportunity.

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## Note

- 1 There should probably be an additional political deputy outside the commission dealing with matters of the Common Security and Defense Policy, including chairing the European Defense Agency. Some member states would strongly oppose such a role being assumed by a member of the commission.

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