## **EXECUTIVE SUMMARY**

## Study for the AFCO committee



## Perspectives for EU governance: between Community method, new-intergovernmentalism and parliamentarisation <sup>1</sup>

## **ABSTRACT**

This study, commissioned by the European Parliament's Policy Department for Citizens' Rights and Constitutional Affairs at the request of the AFCO Committee, analyses the evolutions of the modes of governance at EU level. It shows that the so-called Community method has undergone a double evolution towards more intergovernmentalism, on the one hand, and more parliamentarisation, on the other. In particular, in recent years, the first trend has dominated. The study proposes solutions to defend the centrality of the Community method and to increase the Union's capacity to act in an efficient, integrated and democratic way.

It is impossible today to discuss the political system of the European Union (EU) without referring to the EU's capacity to deal with crises. The EU has, indeed, been in a permanent state of crisis and crisis management in the last 20 years. This is by no way neutral, as crises tend to impact the EU political system at two levels.

First – as at any level of government – they usually benefit the executive power, as they require quick, sharp, and often innovative solutions; the need for an urgent action is not favourable to deliberative assembly – thus to the parliaments – and to the interinstitutional interplay. At the EU level, the phenomenon is even more pronounced, as the European Council is the only institution capable to act even when the EU is deprived of clear competences, by developing ad hoc intergovernmental instruments.

Second, some crises have a direct impact on the functioning of institutions, as this was the case with the Covid-19 pandemic. All institutions had to invent new ways to organize work from remote and to develop the necessary digital tools. Here again, the effect was asymmetrical, as the pandemic was more challenging for the European Parliament (EP, Parliament) with 705 members than for the College of Commissioners, the Council of the European Union (Council) or the European Council, all composed of a limited number of key-players.

The need to take urgent decisions in a very constraining context has challenged the democratic legitimacy of policy-making processes. It has not only given some sort of pre-eminence to the executive bodies (the European Council and the European Commission) over the legislative ones (Parliament, but also the Council when acting as a high chamber); it has also deeply impacted the institutions' functioning: it has become far more centralised and opaquer, ignoring, to some extent, the principles of openness, transparency, consultation, and accountability.

<sup>&</sup>lt;sup>1</sup> Full study in English: http://www.europarl.europa.eu/RegData/etudes/STUD/2022/733512/IPOL\_STU(2022)733512\_EN.pdf



The Conference on the Future of Europe has underlined those challenges and discussed the ways to improve the capacity of the EU to act promptly and efficiently in the areas under its competences – and even in others? – and to increase the democratic legitimacy of the EU decision-making procedures, especially by improving citizens' participation. This fundamental task implies to clarify the current state of things within the EU, that is driven by three different decision-making logics: the Community method, the intergovernmental approach, and the parliamentary approach.

The "Community method", the method originally invented by Jean Monnet and his colleagues, gives a fundamental role to the Commission – in charge of finding a consensus with the stakeholders, the Council, and, since the 1990s, Parliament. It is now embodied in the ordinary legislative procedure; the Council acts mainly by qualified majority voting (QMV), and the Court of Justice of the European Union (Court of Justice, Court) has a full oversight role.

As early as the mid-1960s, the Community method was challenged by intergovernmental solutions that have been progressively formalised ever since. Following the economic and financial crisis of 2008 and the institutionalisation of the European Council by the Treaty on the Functioning of the European Union (TFEU, Treaty of Lisbon) that entered in force on 1 December 2009, we have witnessed the emergence of a so-called "Union method" that gives a central role to the European Council and relies on intergovernmental decision-making. The European Council and the Council decide with unanimity; the Commission and Parliament have a limited role, as well as the Court of Justice.

There is finally a third approach to decision-making in the EU: a "parliamentarised" approach of the Community method. Parliament and political concerns play a greater role than in the traditional approach, in which expertise and the adjustment of stakeholders' visions and interests dominate.

Since the Treaty of Lisbon, the above mentioned intergovernmental methods have gained importance and challenged the central roles of the Commission and Parliament. A thorough reflexion is necessary in order to take action and to stop this development. The conclusion and follow-up of the work of the Conference of the Future of Europe is certainly a great opportunity to launch reforms at various levels, capable to limit this drift and to restore the capacity of the EU to function in an efficient, integrated, and democratic way.

This study first gives a view on the history of decision-making system in the EU, explaining why the EU political system is unique and what are the two main logics at play since the late 1960s. It then turns to EU governance today, detailing the three main methods that are now competing: the Community method, the intergovernmental approach, and the parliamentary approach. This leads to a situation of institutional ambiguity and confusion, and to a context that endangers the Community method to the benefit of the intergovernmental approach. Finally, the study gives policy recommendations on how to increase the Union's capacity to act efficiently and to ensure the democratic nature of policymaking. It first pays specific attention to the Spitzenkandidaten procedure, which is very central to the clarification of the EU governance system at several levels. It then considers a series of other potential reforms; some would apply to Parliament internally, some to the other institutions or to the decision-making procedures in general. The study also discusses the issue of EU competences and addresses the way treaty revision can be handled.

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External Authors: Olivier COSTA, CNRS/CEVIPOF (Paris) – College of Europe (Bruges)

Research Administrator responsible: Eeva PAVY Editorial assistant: Fabienne VAN DER ELST

Contact: poldep-citizens@europarl.europa.eu

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