



Who will run Europe?

by Charles Grant

After May's European elections, EU leaders must decide on the Union's top jobs for the next five years. Their choice matters hugely: the EU is thoroughly unpopular across much of the continent, the eurozone still faces grave economic difficulties, Russia is a growing menace, Britain may hold a referendum on leaving the club and there will be pressure to reform the way the EU works.

EU leaders will choose the presidents of the European Commission, European Council and European Parliament, the High Representative for foreign policy and the first full-time president of the Eurogroup. The secretary-generalship of NATO will be added to this package. The leaders will strive to achieve a balance – between big countries and small ones, north and south, east and west, euro members and non-members, the left and the right, and men and women.

The most important job is the presidency of the Commission. That body's authority has waned in recent years. It has annoyed governments by doing its job of enforcing the rules. But they also complain that it has too often churned out unnecessary regulation – either so that the 28 commissioners can justify their existence, or to keep the Parliament happy – and lacked a sense of priority.

The EU cannot reform itself or better nurture economic growth without a more strategic and effective Commission. The Lisbon treaty says that the European Council should choose the

president 'taking into account' the results of the European elections. Everyone agrees that means the president should come from the pan-EU party that scores best. But the parties also demand that the nominated candidate of the victorious party should automatically become president. The centre-right European Peoples Party (EPP) has nominated Jean-Claude Juncker, until recently Luxembourg's prime minister; the Party of European Socialists (PES), Martin Schulz, the Parliament's president; and the liberals Guy Verhofstadt, an MEP and former Belgian prime minister. Denizens of the Brussels institutions, they are little known in the wider world. They are federalist but otherwise conservative about the way the EU works. All three have antagonistic relationships with the UK.

Most heads of government, including Germany's Angela Merkel, dislike the idea of nominated candidates. But the Parliament is a powerful body whose approval is needed before the Commission president can take office. So the European Council may be unable to thwart the parties' wishes.

The electoral battle between left and right is likely to be close. If the PES wins, Schulz would probably be blocked by the European Council, where his brashness and bluster have made him unpopular. Were he to get the job, Europe would be run by two Germans (Merkel being the other). At least three moderate socialists would be viable alternatives. Pascal Lamy ran the World Trade Organisation and is a former trade commissioner, but is viewed as too liberal by some leftists. Enrico Letta, the recently ousted Italian prime minister, impressed the European Council with his reformist credentials, but may suffer from the fact that the European Central Bank is led by another Italian. Helle Thorning-Schmidt, Denmark's prime minister, has the advantage of being a woman and liked by Merkel. All three are broadly acceptable to centre-right governments, including that of Britain.

If the EPP wins the elections, Juncker would be much harder to stop than Schulz. For although he annoys British leaders – who believe that he wants the UK out of the EU – he is popular with many governments. However, the view in Berlin is that he really wants the presidency of the European Council. In that case the Polish or Irish prime ministers could be serious EPP contenders for the Commission.

Donald Tusk is respected as a tough and blunt leader who has managed Poland well. He would be the first politician from a 'new' member-state to get a top job. But leaders from France and some other countries argue that the president should come from a eurozone member, and there are doubts over his English-language skills. Enda Kenny is a popular figure in the European Council, having run a successful EU presidency and led Ireland out of the worst of the euro crisis.

Both these names would be fine with the British. But the centre-right leader most likely to persuade the British to stay in the EU is probably France's Christine Lagarde, the IMF managing director. She is pro-market, a fine communicator and liked by Merkel. But she is unlikely to get the job: those close to President François Hollande say he would not appoint a rightist to the Commission. Another centre-right name mentioned is Dalia Grybauskaitė, a tough former commissioner who is likely to be re-elected as Lithuania's president in May.

The European Council – where there is a centre-right majority – chooses its own president, without any parliamentary vote. Herman Van Rompuy, its first president, has shown the utility of the job by skilfully brokering compromises among the heads of government, notably between the French and the Germans, and between the Eurogroup and those outside

the euro. His successor may have to manage a British renegotiation.

If Juncker wants the European Council, but is blocked, an alternative could be Mario Monti, the widely respected economist and former Italian prime minister (if Letta does not go to the Commission), or indeed Letta or Grybauskaitė. There are also two former prime ministers who will soon retire from international institutions but would like another job: José Manuel Barroso, the Commission president, and Anders Fogh Rasmussen, NATO's secretary-general. Neither is hugely popular in the European Council.

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The European Council chooses the High Representative, a job that may well go to the party that does not win the Commission presidency. From the EPP, Carl Bildt and Radek Sikorski are eminently qualified. The foreign ministers of Sweden and Poland respectively, they have a profound knowledge of foreign affairs and would lead from the front. But their outspoken style causes offence and some think them too critical of Russia. Two experienced PES figures are potential High Representatives: Frans Timmermans, the blunt Dutch foreign minister, and Stefan Füle, the more emollient Czech commissioner for enlargement. Schulz's friends believe that if he is blocked for the Commission, he will be 'compensated' with the foreign policy job.

Five years ago, the European Council chose leaders who were competent, safe and unthreatening. This time, however, it should choose heavyweights. The Commission needs a reforming president who will champion growth-boosting policies. The European Council needs a leader who can manage the potentially fraught relationship between an integrating eurozone and the non-euro states. Economic expertise of the sort that Lagarde, Lamy or Monti possess would be a great asset. One of these two presidents should come from the non-euro countries, to reassure them that their interests will not be forgotten. The High Representative should be strong enough to help forge common foreign policies and to speak credibly for the EU. Having the chutzpah to stand up to Russia should not be a disqualification.

Charles Grant
Director, CER