

Course: GV251

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Week 3: The Commission

PART I) The benefits and costs of delegating power to the Commission

a) *Discuss in small groups:* Why do member-states delegate power to the Commission?

Useful concepts: credible commitments, monitoring, incomplete contracts, transaction costs

b) *Discuss in small groups:* What are the costs of delegating power to the Commission from the perspective of national governments? What are the causes of policy drift?

Useful concepts: asymmetry of information, agent's own institutional interests and preferences, capture of the agent, policy drift (or agency loss)

c) *Discuss in small groups:* How can national governments control the Commission, from the perspective of principal-agent theory?

Useful concepts: comitology, police-patrol vs. fire-alarm oversight, selection, revising the agent's mandate

NB: If you wish to delve deeper into question (a), see Moravcsik 1993 (MT W1 further readings), esp. p. 167-169. For more on questions (b) and (c), see Pollack 1997 (MT W3 further readings).

d) *Discuss in small groups:* Consider the case of European electricity liberalization mentioned in Schmidt (2000), p. 50-53. How convincing do you consider Schmidt's argument that in this case, the Commission acted as a runaway bureaucracy?

Guiding sub-questions:

- i. According to Schmidt, on the basis of which of its delegated powers was the Commission in a position to threaten the member-states that it would attack their monopolies in the electricity and gas sectors via legal proceedings, if they didn't adopt legislation for the liberalization of those sectors in the Council?
- ii. Did the Commission's insistence on the liberalization of electricity services run counter to the member-states' original intentions when they adopted the Single European Act, and thereby decided to complete the Single Market?
- iii. If the preferences of the Commission regarding liberalization in the electricity sector were different than the preferences of the member-states, did the member-states have any tools to stop the Commission from achieving its preferred policy outcome?

e) *Think about:* What is the relation between principal-agent theory and the debate between intergovernmentalism and the supranational politics approach?

PART II) Appointment procedure and democratic legitimacy

“Mr. President,

Honourable Members of the European Parliament,

Today is the first time during my mandate as President of the European Commission that I have the honour to address this House on the State of our European Union.

I would therefore like to recall the political importance of this very special institutional moment. (...)

I am the first President of the Commission whose nomination and election is the direct result of the outcome of the European Parliament elections in May 2014.

Having campaigned as a lead candidate, as *Spitzenkandidat*, in the run up to the elections, I had the opportunity to be a more political President.”

[Excerpt from Jean-Claude Juncker’s first State of the Union speech, 9/9/15]

- a) **Discuss: Is the Juncker Commission more democratically legitimate than its predecessors due to the process that was followed to select Jean-Claude Juncker as President?**

“This new college... provides a fair balance between the political complexion of the national governments and the European Parliament, and I welcome this. **But let us be clear. The Commission does not function along party lines.** The Commission is a college and Commissioners are no more extensions of political groups than they are representatives of national governments.”

[Excerpt from the speech of the incoming President of the European Commission Romano Prodi at the European Parliament, 21/7/99]

- b) **Discuss: Compare and contrast the opening lines of Juncker’s speech with the excerpts from Romano Prodi’s speech. Is a more “political” Commission desirable?**

PART III) The Commission and theories of European Integration

a) *During your own time, please read the excerpts below. In these accounts, how much discretion does the Commission appear to have in terms of being able to steer policy away from the direction preferred by the member-states?*

“On the Delors Committee¹, Pöhl² was universally recognized as the decisive voice, because the Bundesbank enjoyed an important voice in the critical state. Agreement would be possible only if his skepticism of EMU and his personal disdain for Delors, which he displayed by reading newspapers through the first meetings of the committee, could be overcome. (...) Delors lent his name to the proceedings but played a modest role throughout, eschewing ambitious proposals or political entrepreneurship. (...) Although the committee may have gained modest prestige by bearing Delors’s name, his concrete role was that of a secretariat: he drafted compromise texts but, according to one committee member, neither proposed nor blocked any major element of the final report. (...) **To explain the outcome we need to turn from persuasion, stressed by supranational and transnational explanations, to intergovernmental bargaining power.** Nearly all the major participants attested that the distribution of benefits reflected the German government’s structural power, which in turn resulted from its possession of a relatively attractive alternative to agreement.”

(Moravcsik (1998), *The Choice for Europe*, p. 435-6, 466)

“The 2008 reform of the EU’s wine policy³ was formally negotiated remarkably quickly in the autumn of 2007. The initial proposal by the European Commission attracted surprisingly little opposition from the governments of producer states and growers’ organizations. (...) **Negotiations at the EU scale were strongly led by representatives of the European Commission who endorsed the demand-focused and “new consumer” problematization developed by others, then strove to get the European Council of Ministers to adopt it as law.** (...) The reform was promoted publicly by the Commission using value-laden language that highlighted it as a European imperative in order to end wasteful EU spending but also to revitalize a crucial industry that was being challenged by globalization. (...) The paradigm shift adopted by the EU’s Council of Ministers in December 2007 was not simply, as institutional economists would have it, a rational response to unambiguous market signals and budget overruns. (...) Rather, this shift was the culmination of political work carried out in the Commission and with its interlocutors.”

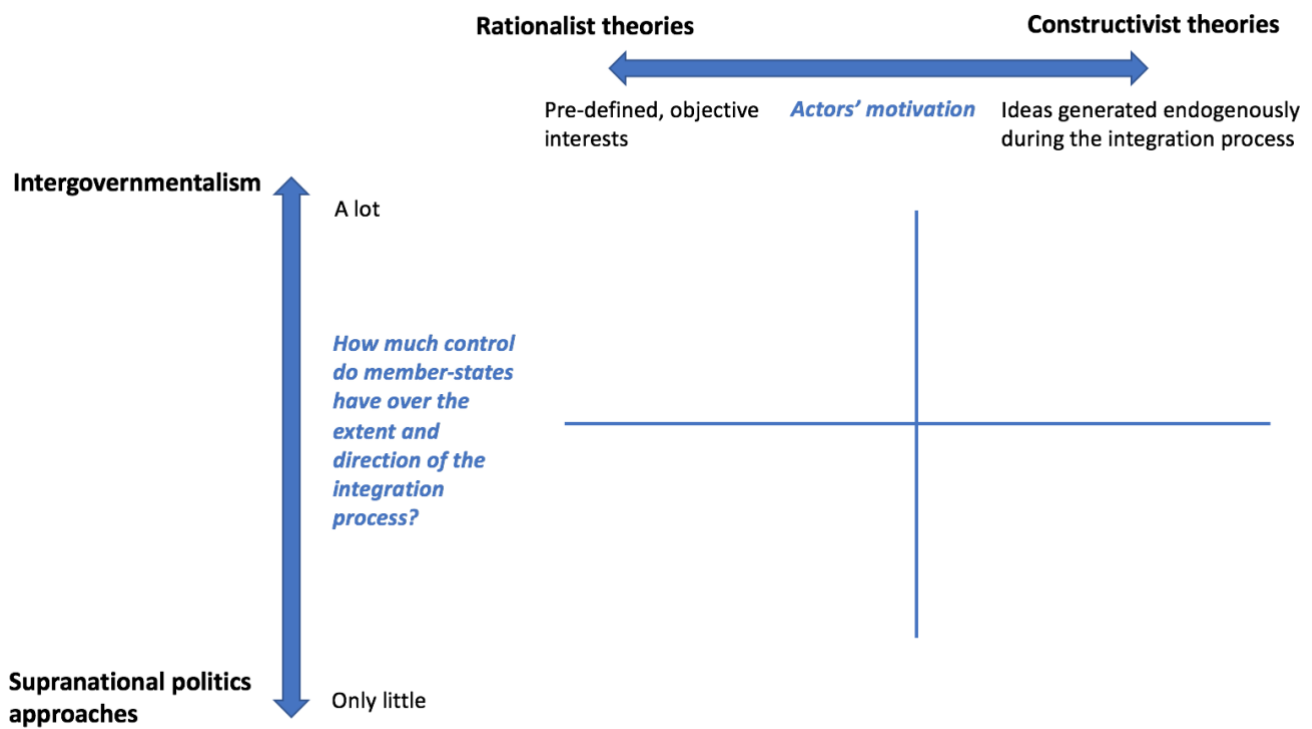
(Itçaina, Roger and Smith (2016), *Varietals of Capitalism*, p. 114-132)

¹ The Delors Committee was convened following a decision of the European Council of Hanover in 1988 to draft a plan for Economic and Monetary Union (EMU), which subsequently formed the basis of the agreement on EMU at the Treaty of Maastricht in 1992. Jacques Delors was the Commission President at the time, and is known for having been one of the most active Presidents in the Commission’s history.

² Karl Otto Pöhl was the President of the German Central Bank (the Bundesbank) at the time.

³ The reform reduced the amount of subsidies for the distillation of wine surpluses and instead introduced subsidies for grubbing out uncompetitive vineyards and for making the remaining vineyards more competitive.

b) Where would you place the two excerpts from the previous page in the table below, in terms of their theoretical standpoint?



Appendix: The current College of Commissioners

The current College of Commissioners

European Commission

JEAN-CLAUDE JUNCKER
Luxembourg
PRESIDENT
Secretariat General
Legal Service
DG communication

FRANS TIMMERMANS
Netherlands
FIRST VICE-PRESIDENT
Better Regulation, Interinstitutional Relations,
Rule of Law and the Charter of Fundamental Rights
Internal Audit Service

FEDERICA MOGHERINI
Italy
VICE-PRESIDENT
HIGH REPRESENTATIVE
of the Union for Foreign Affairs and Security Policy
European External Action Service (EEAS)

ANDRUS ANSIP
Estonia
VICE-PRESIDENT
Digital Single Market

MAROŠ ŠEFČOVIČ
Slovakia
VICE-PRESIDENT
Energy Union

VALDIS DOMBROVSKIS
Latvia
VICE-PRESIDENT
Euro and Social Dialogue
Financial Stability,
Financial Services
and Capital Markets Union
DG Financial Stability

JYRKI KATAINEN
Finland
VICE-PRESIDENT
Jobs, Growth, Investment
and Competitiveness

GÜNTHER OETTINGER
Germany
Budget & Human Resources
DG Budget
DG HR
DG Trans-
sition
DG Inter-
pretation
GLAF

JOHANNES HAHN
Austria
European Neighbourhood
Policy and Enlargement
Negotiations
DG enlargement

CECILIA MALMSTRÖM
Sweden
Trade
DG Trade

NEVEN MIMICA
Croatia
International
Cooperation
and Development
DG development & cooperation

MIGUEL ARIAS CAÑETE
Spain
Climate Action and
Energy
DG climate,
DG energy

KARMENU VELLA
Malta
Environment, Maritime
Affairs and Fisheries
DG environment, DG Fisheries

VYTENIS ANDRIUKAITIS
Lithuania
Health and Food Safety
DG Health & Consumers

DIMITRIS AVRAMOPOULOS
Greece
Migration, Home Affairs
and Citizenship
DG Home

MARIANNE THYSEN
Belgium
Employment,
Social Affairs, Skills and
Labour Mobility
DG employment, DG equal
DG ECFIN, DG TAXUD

PIERRE MOSCOVICI
France
Economic and Financial
Affairs, Taxation and
Customs
DG ECHO

CHRISTOS STYLIANIDES
Cyprus
Humanitarian Aid
and Crisis Management
DG ECHO

PHIL HOGAN
Ireland
Agriculture
and Rural Development
DG Agriculture & Rural Development

VIOLETA BULC
Slovenia
Transport
DG Mobility
& Transport

ELŻBIETA BIENKOWSKA
Poland
Internal Market, Industry,
Entrepreneurship and
SMEs
DG enterprise, DG Internal Market

VĚRA JOUROVÁ
Czech Republic
Justice, Consumers
and Gender Equality
DG Justice

TIBOR NAVRACSICS
Hungary
Education, Culture, Youth
and Sport
DG education, Joint
Research Centre

CORINA CREȚU
Romania
Regional Policy
DG Regional
Policy

MARGRETHE VESTAGER
Denmark
Competition
DG competition

CARLOS MOEDAS
Portugal
Research, Science
and Innovation
DG for Research & Innovation

JULIAN KING
UK
Security Union

MARIYA GABRIEL
Bulgaria
Digital Economy
and Society
DG for Communications
Networks, Content and
Technology (CONECT)
DG Informatics

European Commission 2014-19 #teamJunckerEU

Notes: (1) With blue, I have indicated the Directorates-General (DGs) that support the work of each Commissioner
(2) The coloured boxes indicate Commissioners whose work is coordinated by a particular Vice-President

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