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A Brussels showdown on economic governance

September 27, 2010 2:56pm by Joshua Chaffin |

For Europe, this is the pivotal week in which sweeping new rules will be introduced to overhaul the way that governments manage their finances. The idea — through a combination of better auditing and tougher penalties — is to prevent EU member states from ever again piling up the weighty debt loads that caused Greece to buckle and are now testing Ireland, Portugal and Spain.

But in Brussels, the week is playing out more as a cross-town institutional showdown. On one side is the European Commission, led by José Manuel Barroso, which on Wednesday will present its legislative proposals to improve economic governance. On the other is the European Council, led by Herman Van Rompuy, who is leading his own task force on the matter. Although the two men steadfastly deny any rivalry, it seemed ordained from the moment the Lisbon treaty established Mr Van Rompuy as the Council's first permanent president, setting him up in his own headquarters just across the street from Mr Barroso.

Lisbon, which came into force in December, was supposed to streamline the EU's decision-making and make an unwieldy bureaucracy coherent. Yet the wrestling match over economic governance suggests that there is still more work to be done. In what has widely been interpreted as a bureaucratic elbow to the Commission, Mr Van Rompuy decided to move up his most recent task force meeting to this evening, during which he is expected to present his recommendations.

Behind the scenes, both sides have been bickering about who has the upper hand. As the Commission never tires of pointing out, it — and it alone — has the authority to propose new legislation. But Mr Van Rompuy's backers counter that the Council president was specifically deputed by European leaders to form his taskforce — the same European leaders whose approval will be essential if any proposals are to become law.

The work has not been easy — particularly for Mr Van Rompuy, whose constituents have the awkward task of designing penalties that could one day be imposed against them. Just last week, the Council president was forced to defend his task force's relevance at a European parliamentary debate after he was accused by the head of the European Green parties of failing in his leadership role.

"We are being accused of working far too slowly," he said, arguing that his work will actually be completed two months early. "We have taken some major steps forward, some huge steps forward, in fact."

Messy as it all might seem, this two-headed bureaucratic monster just might be effective, according to some contrarian observers. There is considerable overlap in the staff, with the Commission claiming its own seat on the task force. As such, the two camps have been keenly aware of each other's work. The result is that the Commission has had the opportunity to test market its ideas to member states, and discover the limits of their tolerance, as they are being formulated. That could speed up the necessary compromises before proposals can become law. If so, then the only thing left will be to coordinate competing press conferences to claim the credit.

Tags: Barroso, Herman Van Rompuy

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I would bank on Van Rompuy's task force gaining more approval from member states than Barosso - but for a different reason. Barosso has a reputation as being more authoritarian - to the extent of imposing his wishes on Commissioners. Also he tends to follow too closely his view of what the most powerful duo want (Germany and France). So, whatever the reports back from his representative on the other group, I wouldn't bank on too much overlap in recommendations.

Van Rompuy, on the other hand, has a strong record as a negotiator, willing to seek compromise. Also, as you say, his task force has been commissioned directly by EU leaders, and has been "bench-tested" against national tolerances.

My guess is that Barosso's proposals will be modified according to van Rompuy's.

However, I do wish they could just get rid of the post of Commission President - and the current holder of that post. We might then get a little bit more of what someone once called "joined-up government".

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His name is spelt Barroso

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@ exile: d'accord!

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