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INSTITUTIONAL MAKEOVER: A BRIEF LOOK INTO PENDING CHANGES WITHIN THE EUROPEAN PARLIAMENT AND EUROPEAN COMMISSION

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Brussels is about to embark on a period of profound change — one that will decidedly impact the direction Europe assumes in future. The source of today's ongoing speculation and debate is that of the pending European Parliament elections slated for June, followed by the appointment of a new European Commission (EC), between October 2009 and January 2010. Taking place every five years, the changeover in two-thirds of the European Union (EU) administration comes at a pivotal time in an economic crisis that has yet to be fully addressed.

Great uncertainty remains around the outcome of the elections, with much speculation as to potential incumbents. How will new Parliamentarians influence policy-making? Will the European People's Party (EPP) see a reduction in size, or still vie with the European Socialists (PSE) as the largest party in the Parliament? Will citizens exercise their privilege to vote in the world's largest transnational election, and if so, will they succumb to supporting national concerns over pan-European interests?

Amid the speculation on policy, perhaps the most important to keep in mind is which issues will be pushed to the forefront and which will be placed on the back burner? The new decision makers who will assume office in the Parliament and Commission will have a say as to the direction European policy takes on economic, innovation, energy, green and social issues, among many others. The elections matter because Parliament is becoming a more significant legislative body, one that affirms legislation that affects all of Europe's commercial sectors and the lifestyle of all Europeans.

Arguably, the coming months will prove seminal in setting the scene for Europe as a regional market and partner to other nations and regions. More than ever before, understanding the potential scale of change within the European institutions and effectively engaging these corridors of power will increase in importance and value to any organisation or company operating in Europe.

For all such organisations, this is the time to evaluate how the new Parliament might take into account their interests, especially during an economic crisis, and establish meaningful relationships with the new Members of Parliament (MEPs) from the very start of their mandate. The same thinking will apply to understanding the priorities of Sweden, which will be setting the agenda of the EU as of July when it is taking over the rotating Council Presidency, by the time the new Commission President will have been appointed and Member States will start putting forward their Commissioner candidates.

In short, we are awaiting an exciting period of change in Brussels during the second half of 2009, a time full of variables that require analysis and comprehensive understanding. To help prepare audiences for this inevitable change, Waggener Edstrom Brussels is providing a briefing to lay out some top-line thoughts around the coming changeover, which could prove useful when thinking about how to navigate the Brussels landscape in the near future.

A NEW PARLIAMENT

With the Irish referendum on the Lisbon Treaty taking place at the earliest in autumn 2009, the current Nice Treaty will be applicable to the European Parliament elections in June. And here the complications start: 2004–2013 could see various amendments in the overall number of MEPs due to the entry into force of the Lisbon Treaty or the long-awaited accession of Croatia.

Political Groups

Analysis indicates that the EPP should remain the predominant party in Parliament, followed by the European Socialists (PSE), Liberals (ALDE), Leftists (GUE) and Greens. However, more radical formations representing the far right are anticipated to gain a stronger presence. This comes as little surprise. Given voter apathy and a general lack of understanding as to how the Parliament and other institutions play a role in their daily lives, citizens turn to a more protective, reactive platform. A more Eurosceptic agenda of certain formations such as the newly announced European Conservative and Reformist group, bringing together mainly UK Tories with Czech and Polish conservatives, will continue to be present — an area of concern that will likely require greater communication on the part of the European institutions to ensure citizens across Europe have a more complete grasp of what the EU is trying to achieve, but this will also require business adapting its way of engaging with the decision makers.

Committees

At the beginning of May the European Parliament plenary agreed on the reform package, leaving the number and structure of the current Committees unchanged. With regard to the new working procedures, concern has been expressed that the legislative activity will benefit the larger political groups and potentially also lead to more complexity and conflicts of competences between the committees.

Parliament President

The President of the European Parliament, the Vice-Presidents, the Chairmen and the Vice-Chairmen of each Committee are to be elected during the first plenary meeting of the newly elected European Parliament in July 2009. At present, the key names being floated by political parties are those of the Polish MEP Jerzy Buzek and Italian EPP Vice President Mario Mauro; Martin Schulz (PSE); and Graham Watson (ALDE). The five-year term is normally split between designates from the EPP and PSE. However, this tradition is being challenged by the liberal candidate Watson, who called for an open and transparent campaign for Parliament President.

CHANGE WITHIN THE COMMISSION

All eyes are cast on whether José Manuel Barroso will return for a second term as Commission President, something which almost appears to be a done deal even though some uncertainty remains. Individual member states such as Spain have proclaimed their support for the incumbent, which is significant in advance of the 18–19 June meeting of the European Council, at which time the heads of state and government will declare their preferences for the next president. Aside from Spain, to date Barroso has the tacit support of Germany, the UK, Italy and possibly France. Detractors include smaller party representation such as the minority ALDE partner, European Democratic Party, pressing for former Belgian Prime Minister Guy Verhofstadt or Mario Monti, a former EC Commissioner previously having been in charge

of the Internal Market and Competition portfolios. The PSE, not having put any own candidate forward, is likely to be less supportive of Barroso if he does not redirect his priorities on social needs, while the Greens are looking to form a socialist-environmentalist block to defeat Barroso.

Of course, one has to make mention of the Lisbon Treaty and its status. Depending on whether the Lisbon Treaty will be adopted by Ireland in the national referendum, which is likely to take place in the autumn of 2009, the following scenarios are possible:

- Extension of the mandate of the current Commission (on grounds of the Nice Treaty – with some personnel changes) until the entry into force of the Lisbon Treaty
- A new European Commission (appointed under the Nice Treaty) before the entry into force of the Lisbon Treaty

At present, the first scenario is the most likely, provided the outcome of the Irish referendum is positive. One thing remains certain; whenever the Lisbon Treaty comes into force it will have an impact on the numbers of Commissioners as well as distribution of portfolios. For now however, Commission President Barroso is keen to secure his re-appointment at the Council summit taking place in June.

Key dates for the 2009 election of the European Parliament and appointment of the European Commission can be summarised as follows:

- European Parliament elections will take place in the week of 4–7 June 2009
- The first plenary session of the *new* European Parliament will take place between 14–16 July 2009
- Member States will prolong the mandate of the current Commission OR propose their Commissioner candidates between September–October 2009
- European Parliament approves the President and the College of Commissioners between November 2009 and January 2010

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