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In politics, if processes or outcomes fall below expectations or even fail, someone is supposed to be culpable. This not only allows reducing the complexity of the issue at stake to a universally understandable level, but also invites acuminating criticism and demands swift consequences. Conversely, most political achievements are credited to the personal abilities and character of high-ranking individuals. External factors, functioning structures, for example of bureaucracies, or supportive circumstances are collateral causes at most. In fact, this subsumption fits nicely in the age of modernity with its media-driven thirst for outright success or failure. But more than this, it corresponds to people's underlying desire for clear responsibilities, if not hierarchies, in a given organizational context or administrative system. It is the popular perception of authority and assertiveness which largely accounts for what is meant by political leadership, or indeed the absence of it.

At first glance, this sweeping generalization does not only apply to the Westphalian world of nation states, but also to the peculiar world of the European Union (EU). Two decades of spectacular advances in the 1980s and 1990s, culminating in the launch of the euro, were replaced by a decade of growing self-doubt about and impatience with the 'European project'. When at the beginning of 2010 the crisis of Greek sovereign debt unfolded, placing the eurozone under unprecedented pressure, Greece's Deputy Prime Minister Theodoros Pangalos of the newly elected PASOK government provided an exemplary comment: 'I believe if Delors was in charge in Europe, Mitterrand in France and Kohl in Germany . . . things would not be the same'.<sup>2</sup> His implicit criticism of the EU's handling of the euro crisis basically summarized what he, and indeed many others, seem to regard as the essence of

<sup>1</sup> The author would like to thank Hakim Lattef for his research support.

<sup>2</sup> See *European Voice*, 24 February 2010.

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European leadership: a visionary and adroit president of the European Commission, in close cooperation with a harmonious Franco-German couple led by strong and decisive leaders who ‘think’ European and understand the continent’s historic mission. The perception throughout the 2000s, it can safely be concluded, has certainly not matched this image.

Present motivation to either lament the perceived lack of leadership in the EU, or to call for new leadership figures and coalitions, is generated by at least three different considerations. First, there are concerns that European integration is seriously stalled, if not even in danger of regression. What started as a crisis of legitimacy after the negative referenda in France and the Netherlands in 2005 has gradually turned into a degradation of the European idea, earmarked by the weakening of the ‘permissive consensus’ on which the EU still rests.<sup>3</sup> In order to regain momentum for an integrationist programme, it is argued, an avant-garde of EU member states is needed to make progress towards closer coordination, alignment, or even harmonization in sensitive policy areas, such as taxation and social welfare.<sup>4</sup> Secondly, there are concerns about Europe’s standing and influence in an increasingly multipolar and unstable world. Final negotiations at the UN Climate Change Conference in Copenhagen at the end of 2009, where the EU saw itself sidelined by the US and China, triggered a decisive warning shot. A hesitant, inadequately represented and unassertive Europe is faced with the danger of strategic irrelevance: this was the blunt message.<sup>5</sup> Thirdly, there are hopes that after an unintentionally long period of consolidation, the new institutional set-up of the Lisbon Treaty would pave the way for new European activism. This expectation goes along with the judgement that the EU needs to re-justify itself in order to sustain its relevance. In other words, the mission of European pacification and unification has essentially been accomplished, whereas the rationale for the 21<sup>st</sup> century is still in the making.<sup>6</sup>

In responding to these concerns and hopes, some form of European leadership is commonly seen as indispensable, testified by the surge in debates on the issue in question.<sup>7</sup> However, insufficient clarity exists with regard to the exact nature of such leadership as well as its prospects in a European Union of

<sup>3</sup> See Achim Hurrelmann, ‘European Democracy, the “Permissive Consensus” and the Collapse of the EU Constitution’, *European Law Journal*, 13 (3) (2007), 343–59.

<sup>4</sup> Prominent examples include: Jürgen Habermas, *Europe: The Faltering Project* (Cambridge, 2009); Guy Verhofstadt, *The United States of Europe* (London, 2006).

<sup>5</sup> Walter Russel Mead, ‘The Cluster of Copenhagen I: The Fall of Europe’, *The American Interest*, 19 December 2009; ‘La Deception’, *Le Monde*, 19 December 2009; Leigh Phillips, ‘Battling the “Multilateral Zombie”: EU Climate Strategy after Copenhagen’, *euobserver.com*, 3 February 2010.

<sup>6</sup> Kevin Featherstone, ‘Legitimacy through Output: The Quest for Leadership and A Big New Idea’, in Olaf Cramme (ed.), *Rescuing the European Project: EU Legitimacy, Governance and Security* (London, 2009).

<sup>7</sup> Philippe de Schoutheete and Charles Secondat, *New Leadership in a New European Union*, EGMONT Working Paper (Brussels, 2006).

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twenty-seven or more member states. This chapter attempts to shed light on these two dimensions. It will do so in four stages: first, by providing a conceptual and analytical framework for assessing political leadership in general, and in the European polity in particular. Second, by identifying the sources of demand for leadership in the EU, looking at historical, institutional, as well as political factors. Third, by evaluating the supply of leadership and the reasons for which it is perceived to be absent in today's Europe. Finally, by outlining some of the conditions under which European leadership is likely to re-emerge in the future.

### 3.1 Political Leadership in Europe

Leadership is an elusive term and often ill-defined or poorly understood. While there is a relatively precise popular view of what characterizes a political leader in the western world, there is comparatively little scholarly analysis of how the issue of leadership ought to be approached in relation to the formation of international or transnational institutions. Gaps in academic literature can be traced back to the dilemma that studies around leadership seem to undermine the social science dependency on factual evidence, comparison, and quantification. By and large, leadership remains an interpretative phenomenon. Early work therefore tended to focus on its traits and legitimacy, using classical sociological approaches to assess style, status, behaviour, and effectiveness. Then, the focal point for the question 'when and why do people follow?' was the modern state. The fascination derived from the shift towards a 'politics by leadership', which turned into a fundamental characteristic of the 20<sup>th</sup> century,<sup>8</sup> as well as the trend towards centralized policy-making with an increase in the executive power of the office holder, backed up by ever-improving communication techniques and the growing weight of bureaucracies, ultimately placing the professional politician centre stage.<sup>9</sup>

Over time, research on leadership has become gradually more multidisciplinary, drawing on insights from the fields of history, political science, organizational theory, and psychology, among others. This provides a range of propositions on the relationship between leaders and followers, the way in which leadership is executed, the set of skills displayed by leaders, the institutional offices and positions occupied by leaders, and the political environment

<sup>8</sup> Lester G. Seligman, 'The Study of Political Leadership', *The American Political Science Review*, 44 (4) (1950), 904–15.

<sup>9</sup> Max Weber, 'Politics as Vocation', in Hans H. Gerth and Wright C. Mills (trans. and eds), *From Max Weber: Essays in Sociology* (New York, 1946).

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within which leaders operate.<sup>10</sup> Meanwhile, attempts to put forward a universal definition or model of political leadership have yielded very little. Too much depends on cultural variations and the specific structural basis of a given polity, even if clear distinctions between different types of political regimes are made, for instance between liberal democracies and authoritarian states. Congruously, leadership ought to be seized as a ‘transversal concept’, i.e. something which can have multiple meanings and dimensions and which therefore requires a particular framework of analysis in relation to the polity in question.<sup>11</sup> The following specifies such a conceptual framework for the European community to allow operationalization and benchmarking.

### 3.1.1 Seizing Leadership: A Framework of Analysis

The approach taken here takes into account two basic premises with regard to the EU’s institutional setting and dynamics. One is the recognition that despite Europe’s elaborated supranational architecture and its unique power-sharing mechanism between different institutions, member states still possess—by a long way—the greatest leverage to determine the outcome of EU policy-making as well as its overall direction.<sup>12</sup> The other is about Europe’s distinctive culture of ‘consensus-building’ after more than fifty years of experience of institutional negotiations, without which many of the EU’s decisions, both past and present, are difficult to grasp. Neither of them is supposed to assign this discussion to any prevalent theory of European integration or international relations, but should rather help explain the categorization which follows, drawing on the work of Oran R. Young and Raino Malnes who situated their typology of leadership in the context of regime formation and institutional bargaining.<sup>13</sup>

The starting point is that the notion of political leadership encompasses both individual and institutional actors who interact in the quest for a mutually beneficial result during ‘processes of collective choice’.<sup>14</sup> As a matter of fact, governments, organizations, and individuals may be in a position to

<sup>10</sup> See for example Jean Blondel, *Political Leadership: Towards a General Analysis* (London, 1987); James MacGregor Burns, *Leadership* (New York, 1978); Robert Elgie, *Political Leadership in Liberal Democracies* (London, 1995).

<sup>11</sup> Alistair Cole, *Political leadership* (presentation). Available at: <<http://www.cardiff.ac.uk/euros/resources/cole,%20alistair/Three%20Political%20Leadership.ppt>> accessed 3 March 2010.

<sup>12</sup> See Josef Janning, ‘Leadership Coalitions and Change: the Role of States in the European Union’, *International Affairs*, 81 (4) (2005), 821–34.

<sup>13</sup> Oran R. Young, ‘Political Leadership and Regime Formation: on the Development of Institutions in International Society’, *International Organization*, 45 (3) (1991), 281–308; Raino Malnes, ‘Leader and Entrepreneur in International Relations’, *European Journal of International Relations*, 1 (1) (1995), 87–112, here 94.

<sup>14</sup> See also Mareike Kleine, ‘Leadership in the European Convention’, *Journal of European Public Policy*, 14 (8) (2007), 1127–248, here 1229.

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influence the course and outcome of the subsequent bargaining process. Yet displaying some form of authority or power is in itself not a sufficient criterion for defining leadership, in particular if negotiations are primarily conducted with the view of maximizing returns to oneself. Likewise, actors with the capacity to do something out of the ordinary can have all kinds of motives, ranging from purely egoistic to the altruistic. A leader, however, generally acts on behalf of a larger group and is supposed to take into account the wider implications for his or her action. This is not to say that exercising leadership is incompatible with efforts to promote national, organizational, or personal interest, but that it also involves pursuing objectives which in most cases go beyond the narrow interest of the entity the leader represents so that the benefits for the community-at-large are guaranteed and become visible, even if this requires making concessions.

In regime formation and international bargaining, conceptualizing leadership can thus be boiled down to *how* different ways of influencing actors' behaviour should be judged, not necessarily against an explicit outcome, but against a set of normative criteria which define positive action and joint purposes. In other words, collective advances are in most cases only served when reverting to specific modes of influence, including the use of cognitive resources and certain positions of authority, such as chair, mediator, or role model, while excluding coercion, manipulation, or the excessive reliance on bargaining power. Taking this approach further and popularizing variants of Young's and Malnes' classifications, three different types of leadership stand out.

First, what has been called 'entrepreneurial' or 'problem-solving' leadership. In essence, negotiations which suffer from informational asymmetries, and/or high transaction costs, and/or unstable or contested agendas, usually require a skilful broker if a suboptimal outcome is to be avoided. In this context, the leadership role is defined by the ability to devise integrative solutions and package deals, which exceed the lowest common denominator and yield beneficial results for all actors involved.

Second, in reference to 'structural' leadership, actors in highly developed institutional settings can positively shape processes and outcomes of negotiations if they are recognized as having a considerable comparative advantage over others in a particular field, whether in cultural, policy, financial, or military terms. The advantage can take a variety of forms, including experience with specific situations and challenges, a particular body of knowledge, or access to effective and far-ranging resources. Influence is thus exercised through 'natural authority'—rather embodied by states and institutions than by individuals—as opposed to a simple transformation of power into bargaining leverage.

Third, there is 'directional' leadership which, in its broadest definition, relates to the capacity of actors to produce enough social, political, or indeed

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intellectual capital to make others change their behaviour or follow a particular idea in the pursuit of collective action. The accumulation of sufficient capital, whether expressed by the number of followers or the weight of the arguments, may thus strengthen the desirability of certain arrangements which were previously not widely considered and appreciated within a given community.

### 3.1.2 *The Imponderability of the European Polity*

What then is the interplay between the institutional setting (structure) and the various decision-making actors (agency) in the context of the European Union, taking into consideration its *sui generis* character? In a political culture that relies to a large extent on consensus and involves such a diversity of stakeholders, the very notion of leadership as developed in relation to the nation state is, of course, difficult to transpose to a polity which is built on the principle of pooling sovereignty—and thus disarming leaders. What is more, leadership at the EU level seems heavily constrained by the fact that there is no such thing as a ‘European Imagined Community’ which suggests a unified polity and truly common representations like in nation states.<sup>15</sup> Instead, the rule of collegiality, at the core of European integration, tends to diffuse power among supposedly equal partners (intergovernmentalism) and does not really lend itself to identified leaders. At last, the recognizability and impact of agents depends in many cases on the power of communication, leading to what is commonly described as ‘personality politics’. But in the light of high language barriers and in the absence of genuine EU-wide media coverage, the constraints for any kind of personalization are only too visible.

In some respects, negotiations during the European Convention, in charge of drafting the Treaty Establishing a Constitution for Europe, attempted to countervail these constraints by extrapolating features of national style leadership onto the European polity. Driven by the institutional views of its chairman, Valéry Giscard D’Estaing, who basically equated leadership in the European Council with the French fifth-republic style of political leadership, the EU was supposed to make a significant step towards stronger personalization. Yet the final outcome, as enshrined in the Lisbon Treaty, makes a slightly different reading, upholding the dispersal of ‘leadership potential’ and power in the EU, while cementing the various levels of responsibilities, comprising the elected semi-permanent president of the European Council, the member state in the team holding the six-month presidency, the eighteen-months

<sup>15</sup> John Gaffney, ‘Imagined Relationships: Political Leadership in Contemporary Democracies’, *Parliamentary Affairs*, 54 (1) (2000), 120–32; Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (London, 1991).

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‘trio-presidency’ including three member states, the EU foreign policy chief who is simultaneously High Representative for Foreign and Security Policy and Vice-President of the Commission, the president of the Eurogroup, and, of course, the president of the Commission.<sup>16</sup>

Partly as a consequence of this multifaceted anarchy, leadership in the European Union remains a somewhat neglected concept and idea, with the notable exception of two deliberations: one is the power of the European Commission, especially of its president, but also of its high-ranking officials; the other is the extent to which chairpersons—of which there are many in the EU (e.g. in the European Council, the Council of Ministers)—can actually influence the bargaining process in their favour. The former is primarily exploited to seize the true nature of the European polity.<sup>17</sup> Can a supranational bureaucracy through its incrementalist style impose its will on national governments without their previous consent—implicit at the very least? This intriguing question exists almost as long as European integration itself, endlessly debated in the context of the ontological wrangle between ‘neo-functionalism’ and ‘supranationalism’ on the one hand, and ‘liberal intergovernmentalism’ on the other. Scholars like Andrew Moravcsik, for instance, have tried to demonstrate the limited, if not non-existent, scope for ‘political entrepreneurs’ to determine policy-making in international or, indeed, regional institutions.<sup>18</sup>

However, regardless of the validity of such arguments, this theoretical dichotomy offers little guidance for assessing and weighting leadership in relation to European integration, given that it does not make a sufficiently nuanced judgement about the kind of objective which drives a certain actor and whether it allows for collective advances in the interest of the entire community.

Similarly, defining political leadership through its potential to use ‘formal power positions’, such as the rotating presidency in the Council, merely invites us to consider whether an agent, who has been entrusted with leading a bargaining process, manages to increase its efficiency while steering the negotiations towards his or her preferred conclusion.<sup>19</sup> In other words, such an approach offers insight into the latitude of ‘brokerage’ within the Union as well as helps better comprehend the formation of distributional outcomes which only too often are subject of intense quarrelling among EU member states. But it falls short of explaining how important processes have been initiated in the first place and what triggered sovereign states to agree on a

<sup>16</sup> CEPS, Egmont, and EPC, *The Treaty of Lisbon: Implementing the Institutional Innovations*, joint study (Brussels, 2007).

<sup>17</sup> See, for instance, Anand Menon, *Europe: The State of the Union* (London, 2008).

<sup>18</sup> Andrew Moravcsik, ‘A New Statecraft? Supranational Entrepreneurs and International Cooperation’, *International Organization*, 53 (2) (1999), 267–306.

<sup>19</sup> Jonas Tallberg, ‘The Power of the Presidency: Brokerage, Efficiency and Distribution in EU Negotiations’, *Journal of Common Market Studies* 42 (5) (2004), 999–1022; Kleine, ‘Leadership in the European Convention’.

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joint course of action. Fundamentally, it does not embed European leadership in a normative dimension based on ‘common goods’ or ‘progress’ so that its motivation becomes perspicuous. As Malnes has argued, ‘leaders normally take an interest in what they get out of various arrangements, but their activity qualifies as leadership only if self-interest takes second place to collective goals’.<sup>20</sup> Indeed, this particular regard for wider constituencies—for a kind of European *demos*—and a greater purpose which overcomes vested interest, also accounted for significant advances in the EU. Hence our attention for inducement and motive.

In sum, assessing the potential for leadership in the European polity requires first and foremost an appreciation of the diffusion of power that leads to these idiosyncratic dynamics of integration. By accepting the normative framework, European leadership then goes beyond ‘political engineering’ and resonates most strongly with specific modes of influence which are exercised in the pursuit of collective interest. The principle ingredients, in turn, are problem-solving ability, natural authority, and political capital. Our conceptual framework thus offers three types of leadership which are suitable for the EU level: ‘entrepreneurial’, ‘structural’, and ‘directional’ leadership. In what follows, I will try to provide further clarity surrounding the recurring calls for European leadership by identifying the underlying motivations and sources of demand, so that in a second step the current supply of leadership can be judged against the criteria spelled out above.

### 3.2 The Demand for European Leadership

If defining and singling out political leadership in the EU is such an ambiguous exercise, what is it that spurs experienced politicians, seasoned observers, and citizens alike to conjure it up so emphatically? And what do the sources of demand reveal about the *kind* of leadership that is most importantly required in response to the challenges facing the EU? In a nutshell, three different factors—historic, institutional, and political—seem to influence the contemporary debate about European leadership, each offering a distinct set of arguments in favour or against of one type or another.

#### 3.2.1 What History is Trying to Tell Us

Two important periods of European integration, in the 1950s and the late 1980s, have shaped a prevalent historical image of how certain types of

<sup>20</sup> Malnes, ‘Leader and Entrepreneur in International Relations’, 94.



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leadership can determine progress in Europe. The image itself took various turns between the creation of the European Economic Community (EEC) in 1957 and the adoption of the Maastricht Treaty in 1991/92, often putting national governments, sometimes the supranational institutions, and almost always individuals into the spotlight. A consensus finally emerged around the view that European leadership required long-lasting coalitions, which could combine national statesmanship with the assertiveness and expertise of high-ranking Community officials. In other words, a strong and centralizing role could be left to the Commission if, and only if, it acted within the boundaries of a particular vision or mandate spelled out by national leaders. This constraint was and is often overlooked but ultimately resulted in a number of undesirable consequences in the process of European integration. Examples include the various setbacks in the run-up to and during the Maastricht negotiations, the spectacular failure of the 'Vredeling directive' to give employees of multinational enterprises a role in corporate decision-making, or the serious intra-EU inflicted tensions during the Uruguay Round of world trade talks.<sup>21</sup>

The most adept operator in this specific environment has certainly been Jacques Delors, whose 'missionary zeal' led to the perception that the president of the Commission could even amalgamate 'national personalism' and 'supranational incrementalism'.<sup>22</sup> The perception, in turn, was underpinned by Delors' iconoclastic discourse which did not fall short of the empathy and compassion that only outstanding national leaders are capable of displaying. All this contributed to a widely recognizable identity of a person who was thought of as elaborating and following his vocation, namely that of a more deeply integrated and also more social Europe. But Delors did not set the boundaries himself. Instead, he exploited most skilfully the competences of the Commission for the single purpose of strengthening the Community business—unlike the Commission nowadays which is expected to invest significant capital in areas, such as foreign policy and justice and home affairs, where its legal basis is still rather weak.

Another important lesson has to do with investment and risk, if not personal sacrifice. Many tend to forget that some of the most spectacular advances of European integration triggered serious governmental crises or led to slumps in popularity of the main actors involved. The roles and actuations of Belgium's former foreign minister Paul-Henri Spaak in connection with the EEC Treaty and of Germany's former Chancellor Helmut Kohl with regard to

<sup>21</sup> John Petersen, 'The Santer era: the European Commission in normative, historical and theoretical perspective', *Journal of European Public Policy*, 6 (1) (March 1999), 46–65, here 48.

<sup>22</sup> Helen Drake, 'Political Leadership and European Integration: The Case of Jacques Delors', *West European Politics*, 18 (1) (1995), 140–60.

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EMU are only two of the most prominent cases in point.<sup>23</sup> At the same time, European integration benefited in the 1980s and 1990s from the long office tenure of some of its key players, in particular in the bigger EU member states. It not only testified to the unprecedented domestic political stability, but it also helped build mutual confidence or at least a common understanding of how to resolve the most contentious European affairs involving national interest. Again, this is in stark contrast to the political situation of today, where most national leaders do not enjoy a similar long and, above all, stable period of power.

The historical perspective offers three basic insights. First, the most successful coalition of European leadership is when the European Commission is entrusted to imaginatively operate within a wide margin of clearly defined objectives which represent the visionary horizon of a critical mass of EU member states. Second, by challenging the prevailing norms of political leadership, Delors created a precedent that can only be understood in the particular context in which it emerged. However, its very appearance showed that a new model of European leadership, coalescing national and supranational features and drawing simultaneously on different types of leadership, can exist in principle. Third, and as a result of this, pressure has been placed on the various actors in EU policy-making to shape their own model regardless of the new institutional and political constraints of the current age.

### *3.2.2 Implications of the Institutional Transformations*

Changes in the political culture seldom originate on their own, but are often the product of institutional transformations. The most common and recurring claim in the context of the European Union relates to the increase in numbers of member states, in particular after 2004, and its effect on the decision-making process. Has enlargement undermined the potential for effective European leadership between different member states and institutions, given the new diversity of political actors as well as national interests? Manifold interpretations of this exist but studies have shown that the work rate and ‘culture of consensus’ have basically not been challenged. An institutional innovation to voice disagreement—a formal statement in place of negative voting—seems to have accounted for the relative continuity in the bargaining processes within the EU Council. Hence, the ‘disruptive effect’ does not actually lie in the loss in efficiency, but rather in less predictable voting behaviour and less consistent coalitions, now often formed around free-market

<sup>23</sup> de Schoutheete and Secondat, *New Leadership in a New European Union*, 1–2.

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versus pro-regulation members on socio-economic issues, or centre-left governments versus centre-right governments.<sup>24</sup>

What matters more though is the impact of enlargement on the EU's modes of governance. Leadership coalitions in the past were primarily embedded in what is known as the 'community method'. According to Fritz Scharpf, this 'joint decision-mode' can reduce 'the transaction costs of consensual policy solutions through its monopoly of legislative initiative'.<sup>25</sup> Through consultations with interest groups, national and sub-national officials and experts, the European Commission would theoretically be in a position to play the role of an 'agenda-setter'. However, both deepening and widening have now created what he calls a 'problem-solving gap', whereby the room of manoeuvre for national leaders in most sensitive policy areas has been reduced (e.g. in tax policies), without favouring the emergence of a clear leadership pattern at the supranational level, given the lack of formal competences of the European Commission in many of these areas. Instead, soft law mechanisms, like the 'EU voluntary tax code' to limit a race to the bottom in taxation, were devised with the aim of fostering policy learning and inviting member states to reconsider their policies.

Today, the EU actually reverts to a number of modes of governance, including a 'regulatory mode', a 'distributional mode', 'policy coordination', and 'intensive transgovernmentalism', in addition to the classical community method.<sup>26</sup> In particular the new modes, of which the 'Open Method of Coordination' is probably the most prominent, tend to favour 'soft' law over 'hard' law, and Europeanization rather than deeper integration, to overcome the judicial or, indeed, legitimacy deadlocks now more and more associated with the community method. Importantly, they also tend to strengthen the European Council which has been granted political leadership in its coordinating and guiding role.<sup>27</sup> The European Commission's formal monopoly on initiatives has consequently vanished to a considerable degree, while other institutions, like the European Parliament, are still predominantly preoccupied with different forms of scrutiny. Finally, all this happens against the background of an extension of 'Qualified-Majority Voting' (QMV) in the Council—something which is seen as potentially favouring leadership as

<sup>24</sup> See Helen Wallace, *Adapting to Enlargement of the European Union: Institutional Practice since May 2004*, Trans European Policy Studies Association (Brussels, 2007); Sara Hagemann and Julia De Clerck-Sachsse, *Decision-Making in the Enlarged Council of Ministers: Evaluating the Facts*, CEPS Policy Brief (Brussels, 2007).

<sup>25</sup> Fritz Scharpf, 'The Joint-Decision Trap Revisited', *Journal of Common Market Studies*, 44 (4) (2006), 845–64.

<sup>26</sup> Helen Wallace, 'An Institutional Anatomy and Five Policy Modes', in Helen Wallace, Robert Wallace, and Mark A. Pollack (eds), *Policy Making in the European Union* (Oxford, 2005), 77–89.

<sup>27</sup> Bernard Eberlein and Dieter Kerwer, 'New Governance in the European Union: A Theoretical Perspective', *Journal of Common Market Studies*, 42 (1) (2004), 121–42.

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skilful agents should have increased opportunities to shape a particular outcome within the majoritarian mindset.

In short, changes to the structural patterns of the European polity due to both enlargement and continuous integration have accentuated the voluntary compliance mechanism and the bargaining dimension in the EU decision-making process, while joint competences in areas close to the core of national sovereignty have blurred hitherto clear lines of responsibilities. Unified representation or centralized governance has become more difficult against the emphasis on diversity. At the very least, leadership will thus require much wider coalitions, both across member states and across institutions. But those coalitions are also more likely to be unstable and loose. Their strength and consistency will depend on the mode of governance in operation and the compliance scheme that the partners will agree on. In other words, leadership in the EU of today will have to be more tailored, serving a specific purpose in response to the prevalent institutional constraints. And given the experience of the last decade in EU governance, this 'purposive leadership' cannot rest solely on the European Commission any longer, as scholars such as Yves Meny have argued.<sup>28</sup>

### 3.2.3 *The Emergence of New Political Constraints*

There is a third important factor which impacts upon the quality of political leadership in Europe. The end of the Cold War has forced the EU to demonstrate its maturity by assuming responsibilities beyond its own border, adding to the cosy and familiar community business a whole range of unfamiliar external affairs which, moreover, touch on the self-image of individual EU member states. All this occurred in the light of a new decade of breathtaking globalization, putting mobile capital, competitiveness, outsourcing, offshoring, labour standards, tax competition, currency manipulation, and international migration centre stage. The enthusiasm for the 'dot-com age' quickly vanished, leaving a sensation that whatever happens in one corner of the world might also have a serious effect 'back home'. The global and the national have become irrevocably intertwined. At first sight, the 'hour of Europe has finally come', paraphrasing the infamous proclamation of the then Foreign Minister of Luxembourg in face of the Yugoslavian collapse. Indeed, the EU's *raison d'être* in the 21<sup>st</sup> century is thus being given a concrete meaning with the pursuit of collective answers to these global challenges, whereas the instability of the global order and the rise of a growing number of real and would-be powers makes the case for further pooling of capabilities and resources at the EU level stronger than ever before.

<sup>28</sup> Yves Meny, quoted by Featherstone, 'Legitimacy through Output'.

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However, what appears to be a straightforward invitation to European leadership—backed up by surveys which show that a stronger EU foreign policy is among the priorities for EU populations—has in fact added a further layer of complexity to its provision. Many national governments in western liberal democracies, and basically all of those in the European Union, are faced with widespread resistance and anxieties in their attempt to reorganize society so that it can cope with the rapid changes in the social, economic, and cultural realm. Manifestations of unease have taken the form of populist revolts which impose severe pressure on mainstream politicians. In some countries, these developments have even led to a crisis of the representative institutions themselves, undermining their legitimacy and hence the very foundations of our democracy.

Unsurprisingly, the resulting decline in trust has also affected the European institutions, albeit to a lesser extent. But the days when any kind of initiative from Brussels was almost automatically applauded have now disappeared. Instead, the EU has become the subject of increasing suspicion and criticism, if not scapegoating, raised from the political left and right, the populist and the elites.<sup>29</sup> The latter in particular, as pointed out by Vivien Schmidt in the case of the French referendum in 2005, seem ‘trapped by their ideas’ and unable to provide a new legitimizing discourse for any further EU integration.<sup>30</sup>

The impact of all this on political leadership seems to be twofold. First, governments find themselves increasingly squeezed between the national and the global. Political energy is consumed to fend off domestic turbulences and consolidate power in the short-term while using the global stage to portray an image of statesmanship and authority. The odds and ends of EU policy-making, in contrast, often promise little immediate return, even less if curtailments are required in order to reach consensus. Worse, the bond between the arguably two most powerful EU institutions, the Council and the Commission, appears to have been weakened as both are perceived to work in different directions. Second, the threshold for ‘positive integration’, i.e. regulatory measures favouring rules, targets, or standards (as opposed to liberalization), has been raised, inasmuch as member states nowadays face much stricter scrutiny on what they sign up to during EU negotiations.<sup>31</sup> Pooling sovereignty is quickly painted as ceding power and hence a sign of weakness, demanding from policy-makers a higher command for justifying decisions in the eye of an increasingly politics-averse public. Ultimately, these two

<sup>29</sup> Olaf Cramme, ‘European integration at the crossroads: closing the expectation-realities gap’, in Olaf Cramme (ed.), *Rescuing the European Project: EU Legitimacy, Governance and Security* (London, 2009).

<sup>30</sup> Vivien Schmidt, ‘Trapped by Their Ideas: French Elites’ Discourses on European Integration and Globalization’, *Journal of European Public Policy*, 14 (7) (2007), 992–1009.

<sup>31</sup> Fritz Scharpf, *Balancing Positive and Negative Integration: The Regulatory Options for Europe*, MPIfG Working Paper 97/8 (Cologne, 1997).

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constraints also tend to breed a new class of politicians, only too conscious about the perception and importance of projecting assertiveness and authority in a time when insecurity dominates the political agenda.

In sum, the emergence of European leadership in the 21<sup>st</sup> century is challenged by a number of different factors, three of which have been briefly discussed above. However, none of them suggest that leadership coalitions at the EU level have become impossible. Demand exists for all the three types of leadership—entrepreneurial, structural, and directional—but at the same time different sources and constellations seem to set divergent courses for the roles of the various EU institutions. Exercising European leadership has become a very tall order indeed. The following will highlight some of these tensions in their relation to today's supply of leadership from the relevant EU actors.

### 3.3 The Supply of European Leadership

The Constitutional Treaty, later revived as the Lisbon Treaty in almost all but name, was supposed to achieve numerous things: consolidate the EU's rule book, provide a stronger identity, make the EU more democratic, extend the EU's competences, clarify legislative responsibilities, and ensure smooth EU policy-making in the future. The question then is whether it also facilitates or even promotes new leadership coalitions. Two changes have been singled out in relation to it: the creation of a semi-permanent president of the European Council as well as a high representative for foreign affairs and security policy who is also Vice-President of the Commission; and the formalization of 'enhanced cooperation' to allow for some degree of flexibility on deeper integration. Yet, due to the continuous dispersal of power among different EU actors, the European polity remains an exceptionally complex political system despite those changes and simplifications. Whether the Lisbon Treaty finally makes an impact on European leadership or not thus depends on how its innovations complement with the existing potentials.

#### 3.3.1 *The Weakening of the European Commission*

The Commission has long been regarded as the most natural source of leadership in the EU, not least because notionally it should be in a position to draw on both entrepreneurial and directional leadership. Its role as a 'consensus-facilitating power' in light of the mounting transaction costs in intergovernmental bargaining was virtually uncontested<sup>32</sup>, whereas strong presidents,

<sup>32</sup> Scharpf, 'The Joint-Decision Trap Revisited', 850.

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such as Jacques Delors, have demonstrated that Europe's foremost institution can equally play a decisive role in agenda-setting by filling out the entire bandwidth of the community business. Although Delors clearly benefited from favourable circumstances, for instance in his relations with France and Germany, a benchmark was ultimately set against which all of his successors were judged, mainly negative in the conclusion.

However, more than any other organ of the European Union, the Commission has been affected by the political and institutional developments of the last decade. The use of different modes of governance, a corollary of the big-bang enlargement and often in conflict with the community method, has gradually undermined the Commission's monopoly of legislative initiative. In fact, their prioritization can be seen as direct response to the growing resistance within the populations of EU member states against the harsh consequences of (bureaucracy-driven) liberalization. To put it bluntly, path dependency has outstripped political integration, at the expense of the European Commission.

As a result of all this, the centre of gravity in EU policy-making has shifted even further towards the European Council as more and more politically salient issues are put on the table. It is not only the case that the transaction cost-reducing mechanism of the Commission has been overwhelmed during the latest phase of widening and deepening, but also that the rise of European affairs beyond the classical community business has deprived senior EU officials of their room for manoeuvre in influencing the agenda, given that the boundaries in most of these areas remain rather unclear. In other words, the Commission has been substantially weakened in its potential to provide either entrepreneurial or directional leadership—and this despite the 'presidentialization' of the college of Commissioners which we have witnessed under President Barroso.

### *3.3.2 The Strategic Vacuum in the European Council*

Against the background of declining trust in political institutions across Europe, the Council's undisputed legitimacy is supposed to be of great advantage. At the time when the EU had no more than six, nine, or even twelve members, it was capable of guaranteeing its own efficiency without reverting to the Commission's impartiality and expertise. It offered leadership where needed, acting both as a recipient and user of powerful ideas, as well as the caucus where difficult compromises were forged and strategic decisions taken. The input, in turn, came from varying sources: member states coalitions, the Council's presidency or, indeed, the European Commission. This diligent interplay between structure and agency led to a veritable virtuous circle of policy-making, whereby one institution's weakness was compensated by the others' strength.

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Yet here too, both enlargement and progressive integration have left a defining mark, inasmuch as greater heterogeneity in preferences on sensitive policy issues has inevitably made it more difficult to reach consensus, above all in the European Council where national interest is directly fought out.

The major consequence seems to be that the Council's leadership functions have been vastly reduced to that of an entrepreneur, responding to the diminished role of the Commission in this respect as well to the exponential rise of complexity in EU policy-making. Whereas the rotating presidency used to have a considerable scope for elaborating its own ambitious agenda in the pursuit of collective interest<sup>33</sup>, it now has to focus almost exclusively on securing integrative package deals in a rather narrow and often predefined political space. In other words, where there was an emphasis on strategic and directional discussions about the development of the EU as a political entity, there is now increased preoccupation with getting the details right of rather technical agreements.

Similarly, the rise of extraordinary meetings of the Council is almost exclusively due to emergency situations and unresolved disputes, reinforcing the reactionary dimension at the expense of a more forward-looking approach. All this has led to the perception that the Council is unable to fill the strategic vacuum which the political and institutional transformations have created over the past years, while the EU's mantra of 'unity in diversity' has shifted from being an encouraging self-image to a sometimes distant ideal for which too much of the Union's political capital needs to be wasted.

Has the Lisbon Treaty then provided the right cure? At first glance, much of the innovations tackle widely acknowledged weaknesses: a semi-permanent president now complements the rotating presidency, often too varying in its quality and delivery; more time and capacity exist for the preparations of the meetings to enhance efficiency and strengthen output; and a reduced size of the European Council to allow for more intimacy. Yet whether any of these changes will actually make a substantial difference will depend on whether newly attributed roles and responsibilities are commonly accepted and—more importantly—used for the right purpose: namely that of an assertive agenda-setter. So far, the record is at best ambivalent. In policy areas where competences continue to be disputed across EU institutions, the (European) Council finds itself in competition with the Commission as for the adequate platform to provide the indispensable brokerage for EU policy-making. It may indeed be the principle reason for which EU member states seem to define—at present at least—the role of the president of the (European) Council primarily as a mediator, thus prioritizing entrepreneurial leadership before any other type.

<sup>33</sup> Tallberg, 'The Power of the Presidency'.



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### 3.3.3 *In Search of New Member States' Coalitions*

The 'European project' started on the initiative of nation states and its most spectacular advances very much depended on their readiness to provide multifaceted leadership. The Franco-German axis is considered the classical example and probably indispensable for the wider dynamics of any integrationist project, but history witnessed a number of (loose) leadership coalitions involving varying member states in the quest for deeper integration, leading for instance to closer defence cooperation after St. Malo in 1998<sup>34</sup>, or to the Treaty of Prüm in 2005. In theory, the potential of member state coalitions in the 21<sup>st</sup> century remains as weighty as in the previous one. Enlargement certainly raised the threshold for the formation of ambitious and effective coalitions, but no other institutional change has thrown up major impediments as in the case of the European Commission. On the contrary, the Lisbon Treaty provided member states for the first time with the opportunity to define differentiated or flexible integration as a positive strategy, making European 'variable geometry' an important political option in order to overcome policy or legitimacy deadlocks.<sup>35</sup>

Current constraints for leadership emanating from member states have different origins. One is supposed to be the lack of inspirational figures in positions of authority. During the last decade, few policy-makers in Europe have managed to grasp the imagination and expectations of the EU's population in an attempt to craft a new blueprint for the future of the EU, painting realistic and ambitious what might otherwise appear illusionary. This void of intellectual capital can only be to the disadvantage of a political system which possibly never ceases to be in the making. Another aggravating aspect, and of undoubtedly higher relevance, is the marginal disposability of domestic political capital to be invested in European integration, affecting both structural and directional leadership potential. Dramatic increases in the instability of governments in addition to the rise of Euroscepticism have visibly constricted the room for manoeuvre of national leaders, less and less capable of making concession, let alone personal sacrifices, for the 'common European good'.

Instead, recent years have witnessed a departure of some of the major EU countries from traditional pro-European orientations and attitudes which used to guarantee an important level of stability, trust, and predictability. The motives displayed by the new generations of European leaders, whether in Germany, France, or the Netherlands, have gradually become less palpable, at least with regard to the collective interest, exacerbating the task of creating lasting bonds between groups of member states with basically similar long-term

<sup>34</sup> Frederic Merand, *European Defence Policy: Beyond the Nation-State* (Oxford, 2008).

<sup>35</sup> See Janis A. Emmanouilidis, 'The Case for Differentiated Integration in the EU: Making the Right Choices', in Cramme (ed.), *Rescuing the European Project*, 97–108.

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objectives. The subsequent dominance of style over substance and short-term gains over mutual appreciation not only acts as an integrationist brake, but also undermines what has held the Union together for over fifty years: the shared understanding of a 'community of destiny' (*Schicksalsgemeinschaft*) which requires all actors to put aside their own dogmatism and peculiarities in the name of a joint purpose and working method. It should be safe to agree that only by embracing this central insight new leadership coalitions are likely to surface again in the future.

### 3.4 Where Next for European Leadership?

The EU always benefited most from European leadership when its various dimensions were simultaneously upheld by multilevel actors which complemented each other in the policy-making process. Today, this seems no longer the case. Even if the conditions for leadership have altered or sometimes deteriorated in the wake of political and structural changes, sufficient sources still exist. However, leadership potential is not only unevenly distributed among these sources, but also often inadequately seized. First, there seems to be an oversupply of entrepreneurial leadership, aspired to by the European Commission and its president, the newly elected president of the European Council, as well as the rotating presidency of the Council, despite the fact that the latter's track record does not raise any concerns for additional demand. Second, there is a striking absence of directional leadership, leaving the EU without a compass in times of social, economic, and security-related turbulence. Third, structural leadership seems either blocked or underused as qualified member states have failed to project their 'natural authority' onto the EU level due to conflicting visions. In other words, the gap between demand for and supply of European leadership is very wide indeed.

Many have therefore argued that the EU can only emerge stronger after having been in a state of crisis. Somehow paradoxically, they draw their hope from the global financial and economic crisis which started in 2007/08 and which hit Europe hard and markedly unprepared. In the past, these crises became a litmus test for European leadership and in most cases EU actors have eventually lived up to their respective challenges. As this analysis has tried to demonstrate, the constellation and circumstances in the second decade of the 21<sup>st</sup> century have made it unusually difficult for it to be repeated. Nonetheless, political leadership has always shown to be adjustable to new situations; and so far, there is little evidence that the European Union represents an exception in this regard. What then are the conditions under which European leadership is likely to-remerge?

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To begin with, the sources of EU leadership remain basically unchanged—that is to include the Commission, the European Council, and a coalition of member states. The European Parliament with its own problems of visibility and constrained role in EU policy-making is simply not a candidate. But leadership potential needs to be rebalanced, given that further institutional changes seem to be off the agenda for many years to come. If there is one central lesson from the past, then it is that only a combination of different types of leadership manages to yield significant results. In other words, the lack of directional and/or structural leadership in today's Europe cannot be compensated by entrepreneurial leadership alone. More space must be created for the other two to blossom, for instance through (re-)defining the role of the semi-permanent president of the European Council accordingly, or through devising new and more powerful mechanisms for the debate about 'best practice'.

Indeed, such logic also demands taking 'differentiated integration' more seriously, considering it as a valuable political option to define progress in the Union. This is even more true in the light of the considerable divergences in levels of political trust in general, and towards the EU institutions in particular, between EU member states. Adding to this the already substantial degree of pooled sovereignty and the new problems of legitimacy, it seems rather unlikely that in the years to come the EU will be in a position to act as a bloc on more controversial integrationist plans, for instance in relation to social affairs, economic governance, or fiscal coordination. Put differently, directional leadership might have limited reach under any circumstances. Hence the necessity to take a more positive stance towards enhanced cooperation between those member states who are capable and willing to invest their accumulated political capital into new and hitherto untested arrangements which can further the European interest.

The structural capacity for leadership seems still greatest in the case of the European Council and in a coalition of member states. In contrast, political and institutional developments have considerably reduced the leadership potential of the European Commission, bereft of its entrepreneurial and directional capacities. The question then is whether the Commission with its unrivalled expertise in the community business and its ranks of highly qualified officials can gradually transform itself into a structural leader, taking over further responsibilities in areas where national administrations increasingly falter, e.g. in health and consumer protection (as testified in the negotiations on REACH), or even environmental legislation (in light of the ETS, etc). It goes without saying that such a move would require exceptional political will on the side of all EU member states. But at a time when Europe is under high pressure from globalizing forces, this option should not be ruled out.

In the end, it will thus fall upon national leaders to determine whether European leadership will be given another chance. This concerns both

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individual performance and the ability to forge and maintain leadership coalitions across different member states and time. The former can hardly be orchestrated; the latter, on the other hand, deserves closer attention. While a functional and inspirational Franco-German partnership is likely to remain indispensable to any new endeavour, it will not suffice. In a European Union of twenty-seven or more member states, which is more and more divided along the lines of political economy, an effective coalition ultimately requires more diplomatic weight and more wide-ranging appeal. Regrouping the bigger member states in the pursuit of collective interest would be the obvious solution. True, *le directoire* never worked in the past and the political constellation of today has made it even less plausible for the future. But what crisis will it take to make EU leaders jump out of their own shadows?