

Reflections on the 26-27 June European Council Summit

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On the nomination of Jean-Claude Juncker as Commission President

In the end, the system of *Spitzenkandidaten* or *Top Candidate* has prevailed despite unease or even outright opposition from a number of Member States. This could be seen as a victory of the European Parliament, especially since it does now create expectations about the European Parliament strongly influencing future decisions. However, it is not straightforward: the *Spitzenkandidaten* process did not encourage higher participation, implying that the legitimacy question is far from answered. In addition, Member States unhappy with the EP gaining more and more powers might well look into how the powers of the EP can be curtailed in future, for example through greater involvement of national parliaments.

The whole process has also led to a greater distance between the UK and the EU. The UK Government did not achieve their objective of blocking Jean-Claude Juncker, which will be seen by many in the UK as further demonstration that the EU imposes its will on the UK. In addition, the ongoing controversy has further distanced the UK from Germany, its key potential ally; a relationship which had been under strain already by the decision to team up with the German Eurosceptics in the EP, the 'Alternative für Deutschland', which are direct opponents of Chancellor Merkel's own party. In the end this increases the possibility of Brexit, which would be costly for the EU but far more costly for the UK (see ['Brexit - Out or In? Fewer EU concessions'](#)).

On next steps and reform of the Commission

With the nomination of Jean-Claude Juncker, there will now be intense speculation on the other top jobs, including the successor of Herman Van Rompuy as President of the European Council, the High Representative for Foreign Affairs and Security Policy and the President of the European Parliament, which will be decided in the coming days, followed by the nomination of the Commissioners and allocation of their portfolios. But before the allocation of these jobs, the EU should use this opportunity to create '[A more effective structure for the Commission](#)', better able to deliver the EU's policy priorities.

On the Strategic Agenda for the European Union

It is high time that the EU focuses on the long term future of the EU and not just personalities. While there is a general consensus that growth and jobs are critical, this has yet to lead to real concrete steps. More flexibility in Member States' fiscal policies can be useful but it is not a major departure from current practice: there already is more flexibility than there was at the outset of the crisis, as it has become widely accepted that too stringent austerity has a detrimental impact on growth, which actually worsens the fiscal position. Building in an allowance for higher deficits in the governance framework should not be a generalized exception but it should focus on public/social investment, which produces a longer term return for economy and society as a whole. One key issue which has to be addressed is the question of fiscal space: what possibility do countries have to expand investment without being punished by markets. For some crisis countries, this will mean that the only way they can do this is through increased support from the better performing countries. In the end, growth will be the crucial component in helping countries to deal with deficits and debt levels, so Europe still needs a New Deal for growth and jobs ('[A New Deal for growth and jobs in the Eurozone revisited](#)').

The strategic agenda also must take into account the changed global environment in which the EU operates. In this context, the focus on energy – from energy security, growth/competitiveness and climate change perspective – is crucial. Member States must now demonstrate that they are ready for the EU to act collectively in this field, making concrete steps rather than declarations of intent.

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