



THE EUROPEAN UNION COULD BE SIMPLE, INCLUSIVE, OR EFFECTIVE.

Pick Two.



Foreword by
José Manuel Barroso
Stuart Eizenstat

Author
Dimitar Toshkov

THE EUROPEAN UNION COULD BE SIMPLE, INCLUSIVE, OR EFFECTIVE.

Pick Two.

Author
Dimiter Toshkov

ISBN: 978-1-61977-401-8

Cover photo credit: Diliff/Wikimedia.

This report is written and published in accordance with the Atlantic Council Policy on Intellectual Independence. The authors are solely responsible for its analysis and recommendations. The Atlantic Council and its donors do not determine, nor do they necessarily endorse or advocate for, any of this report's conclusions.

June 2017

EUROGROWTH INITIATIVE TASK FORCE

CHAIRS

José Manuel Barroso

Former European Commission President

Stuart E. Eizenstat

Former US Ambassador to the European Union
Former Deputy Secretary of the US Treasury

MEMBERS

Anders Åslund

Resident Senior Fellow, Atlantic Council

Gordon Bajnai

Group Chief Operating Officer, Meridiam;
Former Prime Minister of Hungary

Mr. Romualdo Massa Bernucci

Director & Chief Representative,
European Investment Bank;
Minister of the EU Delegation to the United States

Neil R. Brown

Director, KKR Global Institute

Courtney Geduldig

Executive Vice President,
Public Affairs McGraw Hill Financial

C. Boyden Gray

Former US Ambassador to the European Union

Steve Hanke

Professor of Applied Economics,
The Johns Hopkins University

Stefano Itri

Vice President, BDT Sales, Beretta

Andrius Kubilius

Former Prime Minister of Lithuania

Laura J. Lane

President, Global Public Affairs, UPS

Enrico Letta

Dean of the Paris School of International Affairs
(PSIA) at Sciences Po in Paris;
Former Prime Minister of Italy

Sir David G. Manning

Former UK Ambassador to the United States

Andrea Montanino

Director, Global Business and Economics
Atlantic Council

Richard L. Morningstar

Former US Ambassador to the European Union;
Founding Director & Chairman,
Global Energy Center, Atlantic Council

Anne Van Praagh

Global Credit Strategy & Research
Moody's Investor Service

Earl Anthony Wayne

Fellow, Atlantic Council; Career Ambassador;
former Assistant Secretary of State for Economic
and Business Affairs

ABOUT THE EUROGROWTH INITIATIVE

The Atlantic Council ‘EuroGrowth Initiative’ is an EU-US platform to stimulate thinking on how the current challenges for the European economy can be transformed into opportunities to achieve a more sustainable growth path. Through briefs, reports, and events, the EuroGrowth Initiative identifies practical solutions and best practices, and provides a forum for new and innovative ideas. The initiative aims to energize—not teach—key stakeholders on both sides of the Atlantic and bring them to design the right approaches for growth, taking into consideration the unique European institutional setting.

Leveraging the expertise and network of the Atlantic Council’s Global Business and Economics Program, the EuroGrowth Initiative presents Europe in a new light and promotes a deepened transatlantic partnership as Europe and the United States build a path for long-term growth together.

ACKNOWLEDGMENTS

The EuroGrowth Initiative is made possible by generous support by Beretta, the European Investment Bank, JPMorgan Chase & Co., United Parcel Service, Inc. (UPS), Ambassador C. Boyden Gray, Ambassador Stuart Eizenstat, Pirelli Tire North America, and Moody’s Investors Service.

The Atlantic Council and its donors do not determine, nor do they necessarily endorse or advocate for, any of this publication’s conclusions.

FOREWORD

As the European Union (EU) celebrates the sixtieth anniversary of the Treaty of Rome, and the transatlantic community looks back on seventy years of peace and prosperity since the drafting of the Marshall Plan in 1947, Europe commemorates this occasion during turbulent times, when the future of the Union remains uncertain.

The EuroGrowth Initiative of the Atlantic Council looks at possible ways to make the European economy more sustainable over the long term: we are convinced that only prosperity can be the proper response to populist concerns that, despite the recent defeats of the populist candidates in both the Dutch and the French elections, remain.

In light of this consideration, the EuroGrowth Initiative will feature a series of policy papers written by experts proposing solutions to the problems facing Europe, with a goal of restoring growth in Europe. Among the current concerns shaping the popular opinion of the European public is the general feeling that Europe is overburdened by rules. This paper by Dimiter Toshkov presents the structural dilemma which confronts the European Union as it seeks to balance simplicity, inclusivity, and effectiveness while functioning as a political and economic union of twenty-eight, soon to be twenty-seven, member states with diverse interests and priorities, and over 510 million citizens. The Union's complex system of governmental and representative institutions has largely been contrived from the necessity of compromise, the desire for flexibility, and the history of Europe itself.

The question remains whether it is feasible or even desirable for the European Union to undertake a campaign of simplification. This report discusses how efforts to achieve reform can take the form of deeper changes to the basic structure and processes of the European Union or smaller, targeted measures to promote understanding between the people of the European Union and its processes as a body.

Through the work of the EuroGrowth Initiative, we advocate in favor of a stronger, more effective European Union for the benefit of ordinary European citizens, the United States, and its allies globally. The papers published and events organized by the EuroGrowth Initiative have served to convene a transatlantic team of experts and a greater community of stakeholders supporting efforts to foster economic prosperity within Europe. By strengthening the European Union and its related institutions, we can address the challenges of today and tomorrow while promoting needed economic growth.

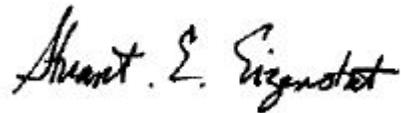
José Manuel Barroso

Former European Commission President



Stuart E. Eizenstat

Former US Ambassador to the European Union
Former Deputy Secretary of the US Treasury



INTRODUCTION

“Simple” is not a word you hear often when people talk about the European Union. On the contrary, in the minds of many, the EU embodies the exact opposite of simplicity: a Kafkaesque labyrinth of agencies, committees, and commissions; a bureaucratic monster spawning red tape and ludicrous regulations about the shape of bananas and the like.

These images might not be entirely fair, but they are pervasive. There is no denying that European citizens have little idea about what the various EU institutions actually do (see Figure 1), and even seasoned politicians might struggle to understand the EU’s decision-making procedures.¹ It is hard to blame them (the citizens at least). It is not easy to explain why the EU has three presidents² at any one time, why the European Parliament (EP) cannot draft its own proposals for new laws, or why all 751 members of the EP relocate for a week every month from their usual workplaces in Brussels, Belgium to Strasbourg, France, dragging with them their entourage, the EP’s secretariat, and all associated paperwork on the way there and back.

The EU *is* complex. The policies it makes and the institutional rules by which it makes these policies are complex, too³.

Complexity is not necessarily bad. It is the price to pay to have an inclusive organization that accommodates the diverse interests of its twenty-eight members to the greatest extent possible while delivering effective common policies, when feasible.

Hence, in principle, there are only two ways to achieve radical simplification of the institutional setup of the EU and the regulatory environment in Europe. On the one hand, the EU can remain effective and be made simple, but that entails the sacrifice of the inclusive, accommodating, and consensual character of its institutions and decision-making procedures. For example, plurality voting rules are simple and allow for effective decision-making, but they can leave a majority of the participants outvoted and unhappy with the outcome. On the other hand, the EU can remain inclusive and be made simple, but that would hinder its ability to find potential areas for further integration and deliver effective compromises in the face of disagreements between the member states. For example, unanimity voting rules are simple and inclusive (as no participant can be outvoted), but they also drastically hamper decision-making effectiveness (as very few decisions can be agreed upon by all).

Neither of these two ways of simplifying the EU looks feasible for the time being. Both would require changing existing EU treaties, which in and of itself is an extremely complex procedure with a highly

1 For example, the British Secretary of State for Leaving the European Union David Davis apparently did not know that EU member states do not negotiate trade deals individually, but as a block (for details, see the analysis by Mark Munger on the *EUROPP* blog, <http://blogs.lse.ac.uk/europpblog/2016/07/18/david-davis-brexite-trade-agreements/>).

2 These are the president of the European Commission, the president of the European Council, and the president of the European Parliament. One could also add the country holding the presidency of the Council of Ministers of the EU, the president of the Eurogroup, and the president of the European Central Bank.

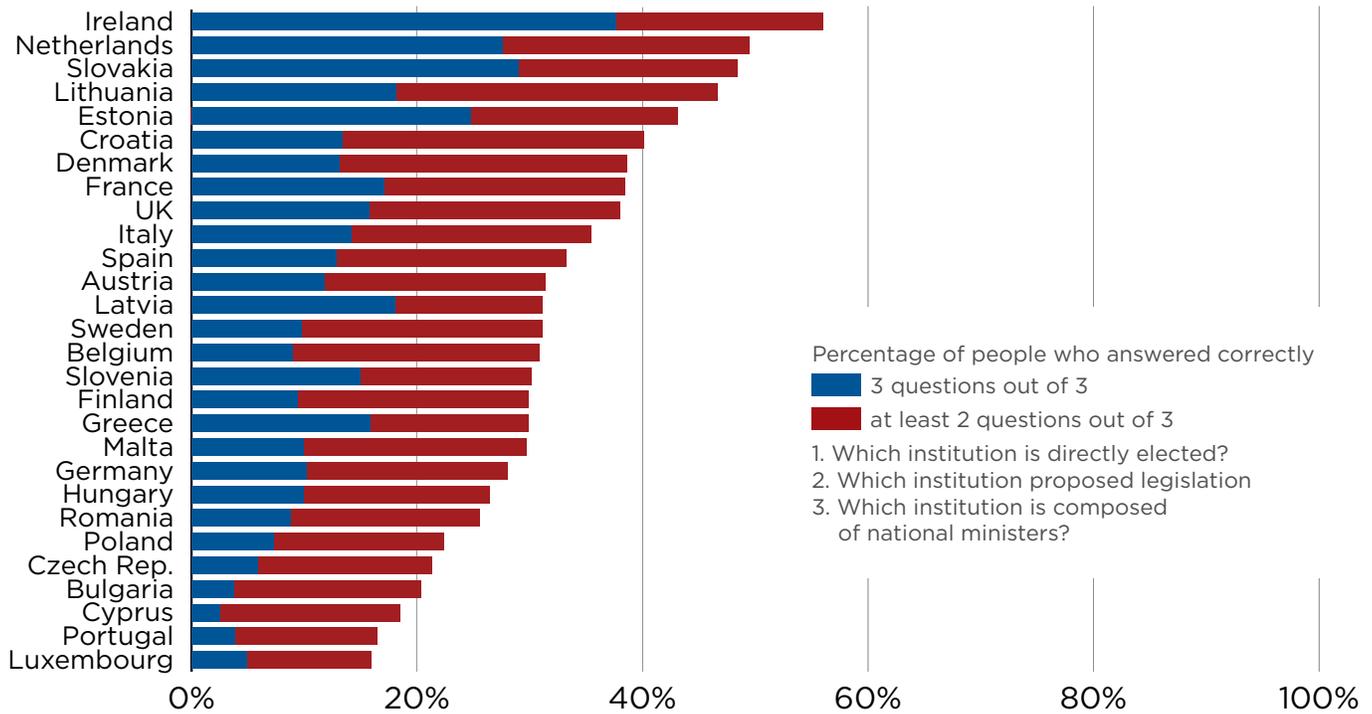
3 Even *leaving* the EU is extremely complex, as the United Kingdom (UK) is finding out at the moment,

KEY RECOMMENDATIONS

- The EU should aim to simplify the message it projects about its own identity, be more clear about the fundamental values for which it stands, and be more consistent in the promotion of these values with its policies and actions;
- The EU should be more transparent about the way EU policies are made and enforced;
- All EU citizens, and particularly young people, should have the opportunity, over the course of their education, to learn basic facts about how the EU works; and
- The EU should focus on adopting fewer legislative acts, instead prioritizing those that have clear and tangible value for Europeans, leave less discretion to the member states, and are enforced more consistently across member states.

THE EUROPEAN UNION COULD BE SIMPLE, INCLUSIVE, OR EFFECTIVE. PICK TWO.

Figure 1. Public knowledge about EU institutions is low



The red bars show the percentage of people in each EU member state who answered correctly at least two out of three simple multiple-choice questions about the EU (the blue bars show the percentage of people who answered all three questions correctly).
 Source: Eurobarometer 79.5 (2013).

uncertain outcome, given a lack of strong popular and political support for such reforms.

Consequently, in the near future, it is as improbable that the EU will become radically simpler as it is unlikely that people would suddenly start to appreciate the Byzantine complexity of its institutions.

What European politicians should try to do, however, is aspire to make the EU more modest about its own importance and more transparent. The EU must present a simpler and clearer message about its identity. Perhaps it does not even need to have a simple

institutional setup in order to be liked and trusted by the populations of its member states. However, the EU definitely needs to be clear about the fundamental values it embraces, and consistent in the promotion of these values with its policies and actions. It must focus its regulatory attention only where common European rules bring real added value to European citizens, and then make sure that these rules take effect and have a meaningful, positive impact. The EU also needs to be more transparent about how European laws and policies reflect and arbitrate between the diverse national, political, and societal interests in the EU.

WHY IS THE EUROPEAN UNION COMPLEX?

The institutional setup of the European Union is complex for three main, and related, reasons: historical legacies, the need for compromise, and flexibility.

LEGACIES

The European institutions were born out of the need to foster economic and political cooperation between sovereign nation-states with a long history of ruinous conflicts among them. To facilitate cooperation among these sovereign nation-states, compromises had to be made. These compromises were embodied in institutional arrangements necessary to get the nation-states on board with the European project, but appear glaringly inefficient from today's point of view. The multiple seats of the EP, the requirements for supermajorities to pass legislation, and the rotating presidency of the Council of the EU provide examples of the cumbersome accommodations made. Once agreed upon, these compromises were enshrined in the founding treaties of the EU, making them extremely difficult to change. Eventually, the member states made new arrangements to remedy some of the most evident inefficiencies of the original institutions. However, this only led to, yes, even more complexity.

For example, the presidency of the EU Council of Ministers has rotated among the EU's member states every six months since 1958. In order to ensure a greater degree of continuity in the work of the Council from one presidency to the next, since 2007 the member states have cooperated in groups of three successive presidency holders (the so-called "trios"). In 2009, the European Council⁴ acquired its own president, a position currently held by the Polish Donald Tusk, which changes only every two-and-a-half years. In addition, since 1998 the finance ministers of the member countries of the Eurozone have met in a special formation of the Council (the so-called Eurogroup), which since 2004 has been chaired by its own president, currently the Dutchman Jeroen Dijsselbloem. Ultimately, the original institution of the Council of Ministers that was designed back in the 1950s for a community of six member states

cooperating on a narrow set of issues was never replaced by a simpler and more efficient solution, but was rather supplemented with additional rules and arrangements that have made the EU even more complex. Yet, these complex institutions have made it possible for the EU to continue to operate with a much larger set of ever more diverse member states and an expanded agenda of issues to deal with.

When judging the complexity of today's EU institutions, bear in mind that they are reflective of the difficult deals made decades ago, and exacerbated by several layers of successive add-ons and adjustments that increased with every accession to the EU.

COMPROMISES

Overlapping, multi-layered, multi-level institutions might be slow and cumbersome, but they are well-suited to accomplish what the EU needs most: finding potential areas for further cooperation and patches of common ground on which to build joint policies and actions. In addition to the weight of historical legacies, the need to find compromises between states with only partially aligned interests begets institutional complexity. For example, the EU has a complex system of committees, part of the Council of Ministers, composed of national civil servants representing their respective countries, that negotiate the content of new EU legislation in particular areas, such as development cooperation, telecommunications, or forestry. These so-called "working parties" are crucial for identifying areas of disagreements between the member states over the legislative proposals made by the European Commission, drafting compromises, and preparing the final decisions that the national ministers then formally adopt. Currently, more than 150 of these working parties are active, and recent estimates suggest that there have been more than 75,000 meetings of Council working parties between 1995 and 2014. Yet, despite their importance, the role of working parties remains relatively obscure and their effectiveness unappreciated.⁵

4 The European Council is composed of the heads of state or government of the EU member states, and it has been recognized formally as an official institution since 2009. Its operation, however, has remained closely linked with the work of the different configurations of the Council of Ministers of the EU.

5 For a recent analysis of the role of working parties, see the post by Frank Häge on the *EUROPP* blog, <http://blogs.lse.ac.uk/europpblog/2016/08/29/data-on-political-attention-in-the-council-illustrates-the-eus-failure-to-proactively-address-major-crisis/>.

FLEXIBILITY

Historical legacies and the need for compromise go a long way toward explaining the *institutional* complexity of the EU. The necessary compromises result in discretion and flexibility that, in their turn, lead to high *regulatory* complexity. To accommodate all member states, EU legislation typically allows for numerous exceptions, exemptions, derogations, transitional periods, and other forms of discretion left to the member states. One important type of EU law—the directive—needs to be adapted to national circumstances through a separate national legislative act in a process called “transposition” before it acquires any real effect.⁶ In addition, the lack of a strong, centralized enforcement capacity at the EU level means that member states often enjoy a great degree of flexibility when it comes to when and how to apply EU rules on the ground.

All this flexibility decreases regulatory certainty and does little to create a level playing field in Europe. Yet, it is necessary in order to win the consent of the member states for approving EU laws at the decision-making stage. Simply put, if EU directives did not grant so much flexibility, concessions, and discretion to the member states, they would not be adopted in the first place.

Flexibility increases complexity in yet another, more consequential way. Flexible forms of integration allow some states to proceed with further integration without having to wait for the agreement of the rest of the EU members. The Eurozone⁷ and the Schengen Agreement⁸ are the most prominent examples of integration projects where not all EU member states participate, and some non-member states

participate, exemplified by the membership of Norway, Switzerland, and Iceland in the Schengen Area.

There are further cases of flexible (or, as it is technically called “enhanced”) cooperation on policy issues such as divorce law and patents, in which several EU member states have decided to move forward with integration, while others have decided not to participate.

The most important recent cases of flexible integration concerned the adoption of the Fiscal Stability Treaty (FST), designed to reinforce the budget discipline of Eurozone governments, and the European Stability Mechanism (ESM), an organization providing financial assistance programs to Eurozone members in financial difficulty. Both the FST and ESM⁹ were established through intergovernmental treaties formally outside the existing EU legal framework and do not bind all EU member states.

It is easy to imagine how flexible integration tremendously complicates the institutional landscape of international cooperation in Europe.¹⁰ A host of independent but intertwined organizations and treaties with significant, if partial, overlap in membership looks like a nightmare to the rational mind of any external observer. At the same time, flexible integration *has* allowed for European cooperation to progress, even if in a messy and piecemeal fashion. The choice has rarely been between simple and messy integration, but rather between messy integration and no integration at all.

Ultimately, historical legacies and the need for compromises and flexibility provide rationale as to why the EU is so complex. Does this mean that there is nothing that can be done to simplify it? Is the EU really *the least* complex institution that could have been created to support integration and cooperation between twenty-eight sovereign states, each with their own historical legacies, economic interests, and geopolitical ties?

6 The directive is a type of legislative act in EU law that has general application and is binding as to the result to be achieved, but leaves the choice of form and methods of implementation to individual member states, who must transpose the directive’s obligations into national law within a given deadline (typically, two years).

7 The Eurozone, or Euro area, is comprised of the nineteen member states of the EU that have adopted the euro (€) as an official currency. In addition to the common currency, the Economic and Monetary Union involves a common monetary policy and coordination of economic and fiscal policies. Seven EU member states could join the Euro area if and when they fulfill the so-called “convergence” (economic, monetary, and fiscal) criteria. The remaining two—the UK and Denmark—have negotiated opt-outs from the Eurozone.

8 The Schengen Agreement, first signed in 1985 and later incorporated under the EU framework in 1997, guarantees free movement of persons in the territory of the Schengen Area. The participating states have abolished internal borders, apply common rules to issues such as short-stay visas, asylum requests, and border controls, and support cooperation between their police services and judicial authorities.

9 While the ESM was established by an intergovernmental treaty, a special amendment to Article 136 of the Treaty on the Functioning of the European Union (TFEU) was needed to authorize its establishment under EU law. Currently, Croatia, the Czech Republic, and the United Kingdom have not signed the FST, and the members of the ESM are the nineteen states that are part of the Eurozone.

10 The EU is of course only one of a number of significant institutions for international cooperation in Europe. It co-exists with the Council of Europe, the European Free Trade Association, the European Court of Human Rights, the Organization for Economic Co-operation and Development, and the Organization for Security and Co-operation in Europe, to name but the most important. The institutional tapestry in Europe—in any field from economic co-operation to security to human rights—is complex, thick, and hard to penetrate.

CAN THE EUROPEAN UNION BE MADE SIMPLER?

Notwithstanding the benefits of complexity, there are significant downsides as well: it leads to legal uncertainty and regulatory fragmentation, it slows down decision-making, and it hampers policy enforcement. Most importantly, it makes the EU hard to know, appreciate, and trust. In light of these considerations, simplifying the EU's institutional setup and regulatory output would be more than welcome. However, it would be extremely difficult to achieve in the current political environment. As argued below, simplification through informal institutional change or bureaucratic programs has only limited potential. Radical simplification designed to achieve a more straightforward institutional setup of the EU and a less fragmented regulatory environment requires reform of the existing treaties and renegotiation of the historical compromises embedded in the EU institutions. Neither the general public nor the political elites in Europe have the will or political capital to engage in treaty reform.

INFORMAL SIMPLIFICATION (EARLY AGREEMENTS AND THE ORDINARY LEGISLATIVE PROCEDURE)

A number of the EU's institutions are so complex that even EU officials find ways to circumvent the strictures. The "ordinary legislative procedure" is a case in point. According to the formal rules of this procedure (previously known as "co-decision"), proposals for new EU legislation are made by the European Commission and then negotiated between the Council of Ministers and the EP during up to three readings. In between these readings, the draft proposal is handed back and forth between the three institutions for amendments. It would typically take more than two-and-a-half years for a proposal to move through the three readings before reaching a compromise at the end of the legislative process. To shortcut this rather lengthy and cumbersome procedure, EU officials have decided to reach informal agreements through direct negotiations between representatives of the three institutions ("trilogues") during the first stage of the process, before the end of the first official reading. If the representatives can find a compromise text at this stage, the Council and the EP would adopt the proposal at first reading in a so-called "early agreement." This is simpler and saves time. The use of "early" first-reading agreements has

grown tremendously over the last decade, so that now they account for the majority of all legislative acts adopted under the ordinary legislative procedure.¹¹

Although attractive in some cases, such a pragmatic informal de facto simplification of the complex formal rules generates important normative concerns. First, it leads to a "decoupling" between the formal rules and informal practices, with negative consequences for the legitimacy of the former and the transparency of the latter. Second, in practice, the informal rules, if they stick, are soon codified in a number of inter-institutional agreements and internal rules of procedure, which in their totality might lead to even more complexity. Consequently, informal simplification cannot be a general solution.

BUREAUCRATIC SIMPLIFICATION (THE BETTER REGULATION PROGRAM)

The EU actually has a special program that aims to achieve regulatory simplification under the heading of Better Regulation. Better Regulation is currently one of the ten priorities of the European Commission,¹² and the initiative received strong backing from the First Vice President of the European Commission, Frans Timmermans.¹³ The program has worthy goals, such as improving the preparation of EU legislation, strengthening consultation with citizens and stakeholders, and ensuring the quality of legislation through impact assessment and evaluation. An important part of the Better Regulation agenda is the so-called Regulatory Fitness and Performance Programme (REFIT) that combines various initiatives for legislative simplification and regulatory burden reduction.

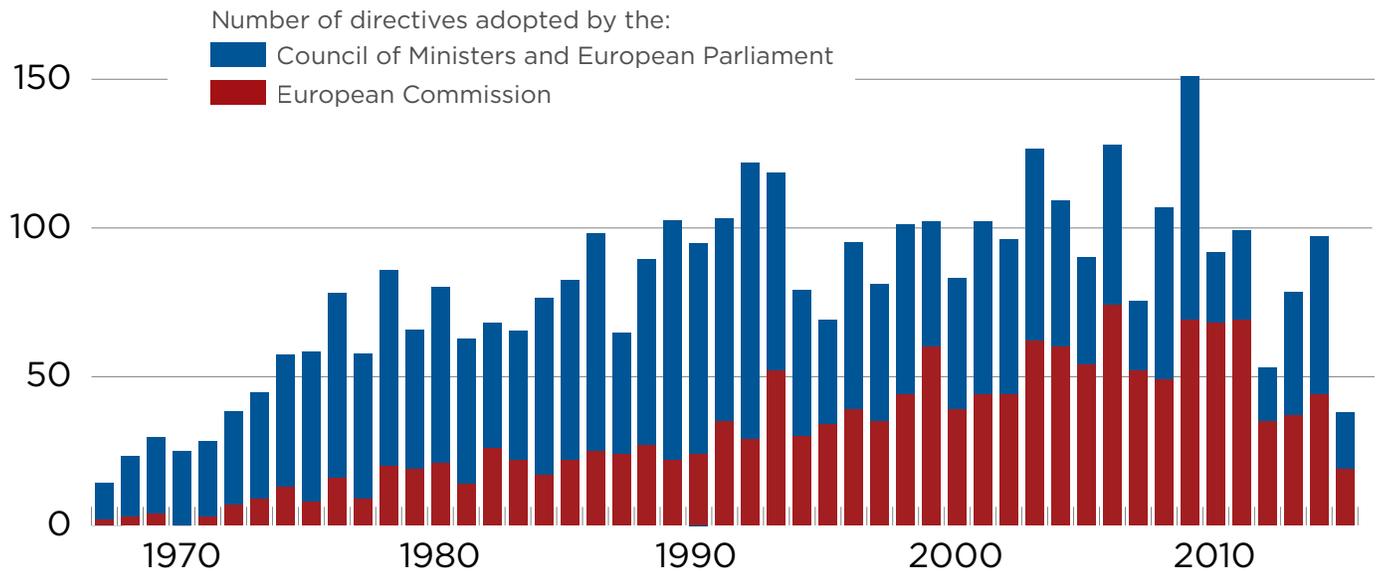
In practice, the track record of the Better Regulation program (which has been on the agenda since 2001),

11 For details on the rise of early agreements in the EU, see the post by Edoardo Bressanelli, Christel Koop, and Christine Reh on the *EUROPP* blog, <http://blogs.lse.ac.uk/europpblog/2016/02/10/the-growth-of-informal-eu-decision-making-has-empowered-centrist-parties/>.

12 Details about the priorities of the European Commission are available here: https://ec.europa.eu/priorities/index_en. Better Regulation is listed under Democratic Change.

13 See for example the press release of the European Commission from 19 May 2015 "Better Regulation Agenda: Enhancing transparency and scrutiny for better EU law-making," available here: http://europa.eu/rapid/press-release_IP-15-4988_en.htm.

Figure 2. EU legislative production has been uneven over time



The blue bars show the number of directives (one important type of legislative act in the EU) adopted by the Council of Ministers or by the Council of Ministers and the European Parliament acting together in each year between 1967 and 2015. The red bars show the number of directives adopted by the European Commission (delegated legislation). Note that the blue bars are layered on top of the red ones. Source: Aggregated from EURLEX.

in particular the efforts to achieve legislative and regulatory simplification, has been mixed. The sheer number of EU directives adopted each year has decreased in the past decade (Figure 2), but it is hard to say to what extent this is an effect of the Better Regulation program and to what extent it reflects increasing disagreements and legislative gridlock in the EU institutions. At the same time, the volume and share of delegated legislation adopted by the European Commission¹⁴ has grown.

A few existing legislative acts have been repealed, but the number seems small compared to the administrative effort that has gone into identifying the rules that are no longer necessary.¹⁵ Consultations,

impact assessments, and policy evaluations are of course valuable, but they generate a significant administrative burden for the national and EU public administrations as well. Skeptics have argued that Better Regulation has been no more than window dressing for corporate-friendly deregulation.¹⁶

It is hard to be against “better” regulation, but the host of well-intentioned initiatives under the Better Regulation program seem to have achieved, at best, marginal improvements. Furthermore, it is hard to sustain political attention and commitment to these kinds of administrative reform agendas.

RADICAL SIMPLIFICATION THROUGH TREATY REFORM

Any significant simplification of the current institutional setup of the EU would require a change of the EU treaties. All member states have to ratify new treaties or significant amendments to the current ones in force. In some countries, this might require popular referenda and the consent of national legislatures. This would be extremely difficult, if not downright impossible, in the current political environment in Europe. Proposals for treaty change would be used by Eurosceptic parties to incite and mobilize popular

14 Delegated legislation is adopted by the European Commission under powers granted to it by the other institutions. It is similar to regulatory law adopted by the executive branch in the United States.

15 For example, in the Staff Working Document from May 19, 2015 “Regulatory Fitness and Performance Programme (REFIT): State of Play and Outlook” (available at http://ec.europa.eu/smart-regulation/better_regulation/documents/swd_2015_110_en.pdf), the Commission mentions that two measures have been repealed since 2012 (p.3). In another communication from September 14, 2016, a figure of thirty-two repealed laws is provided (p.3) (Communication from the Commission to the European Parliament, the European Council and the Council ‘Better Regulation: Delivering better results for a stronger Union’, available at http://ec.europa.eu/info/sites/info/files/better-regulation-delivering-better-results-stronger-union_sept_2016_en.pdf).

16 See for example the Centre for European Policy Studies (CEPS) Special Report authored by Andrea Renda, available here: https://www.ceps.eu/system/files/SRI08AR_BetterRegulation.pdf.

THE EUROPEAN UNION COULD BE SIMPLE, INCLUSIVE, OR EFFECTIVE. PICK TWO.

opposition toward the EU, regardless of the proposed treaty amendments. Even formally pro-EU political parties are unenthusiastic about raising the political salience of European integration that inevitably comes with treaty reform, in light of internal party divisions on the issue and increasingly Eurosceptic electorates.¹⁷

The most ambitious effort to simplify the EU, the ill-fated proposal for a European Constitution, failed rather miserably.¹⁸ The proposal was drafted over a period of three years, signed by all heads of states on October 29, 2004, and then defeated by popular referenda in France and The Netherlands in 2005. Among its other proposals, the European Constitution would have radically shortened the existing EU treaties, replacing them with a much more concise document. It would have further simplified the decision-making and law enforcement procedures, and clarified the symbolic identity of the EU. For better or worse, the European Constitution never came to be, although it is unknown to what extent the proposed simplifications had anything to do with its demise.

However, the political lesson of this episode has been clear—EU treaty reform is politically toxic. Opening up the treaties would give new life to old quarrels between the member states about issues such as relative voting power and the like. Renegotiations give opposition parties an opportunity to bash the governments for not defending “national interests” enough. Attempts at reform also provide citizens with a rare opportunity to punish runaway political elites and faceless Brussels bureaucrats by rejecting the result of their negotiations.

In principle, simplification *could* come from streamlining the EU’s procedures and institutions. The requirements for legislative supermajorities could be slashed. The

number of representatives involved in institutions could be decreased, by doing away with the rule that each member state is entitled to a commissioner, for example. The complex procedures that control how the Commission adopts delegated legislation (the so-called “comitology”) could be demolished. Yet, in practice, these are precisely the type of reforms that are most likely to invite opposition and resentment in the member states, both from the people and from parties playing on populist and nationalist sentiments. Proposals to decrease the powers of nation states at the expense of supra-national institutions and to change the relative balance of power between the nation-states are doomed to fail from the start. The proposal for a European Constitution, mentioned above, serves as a case in point.

“... EU treaty reform is politically toxic. . . Renegotiations give opposition parties an opportunity to bash the governments for not defending ‘national interests’ enough.”

Theoretically, simplification is also possible within a system of inclusive and accommodating institutions. For example, there could be a straightforward legislative process subject to supermajorities, but without any accompanying complex procedures for finding compromises. Or, there could be a treaty that forbids flexible cooperation arrangements between subsets of the EU member states. That would make for a simple system that only adopts collective decisions based on the logic of the lowest common denominator. With this configuration, one could imagine

an institutionally simpler EU in which a wide range of opinions and interests are consulted, and integration moves forward only if nobody objects. But, even if such reforms leading the EU toward simplification were politically feasible—they would still require treaty changes—it is unclear whether they would be desirable to member states.

ALL POLITICAL SYSTEMS ARE COMPLEX, BUT THE EU IS SPECIAL

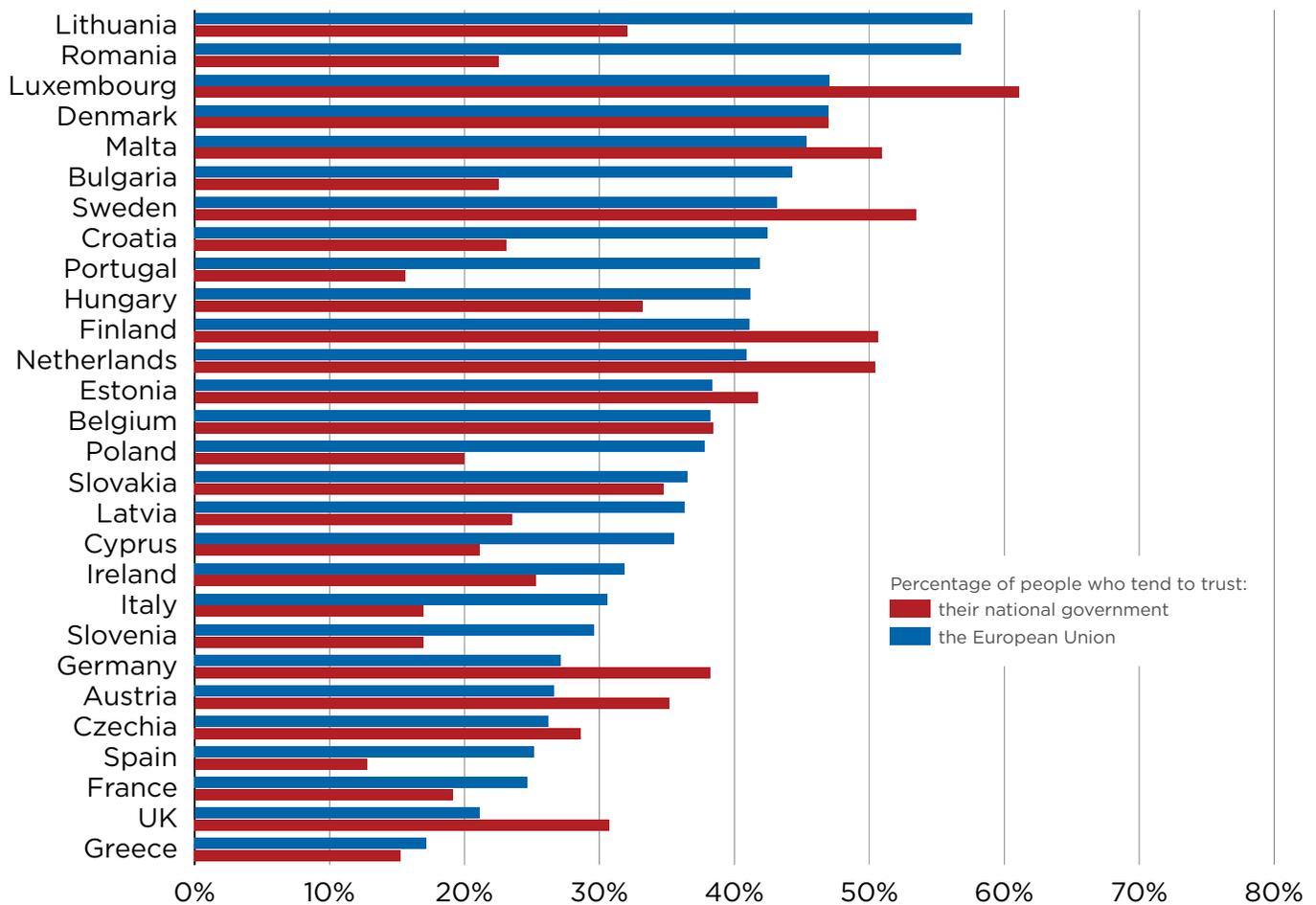
Is there no way to make the EU radically simpler? Possibly not, at least not in the sense of establishing a more straightforward institutional setup. In the long run, the strictures preventing simplification may present an existential challenge to the EU.

All political systems are complex and messy. For example, the rules for legislative conciliation between the two chambers of the German legislature are

17 See the recent article by Johan Hellström and Magnus Blomgren “Party debate over Europe in national election campaigns: Electoral disunity and party cohesion,” published in the *European Journal of Political Research* (2015, vol. 55, issue 2, pp.265-282).

18 In the history of European integration, there are also examples of successful simplification through treaty reform, such as merging the three sets of institutions of the three original European Communities into one set (1967) and merging the European Communities into a single European Union (starting in 1993 but still incomplete as the European Atomic Energy Community exists as a distinct organization).

Figure 3. Public trust in the EU and in the national government



The blue bars show the percentage of people who “tend to trust” the EU. The red bars show the percentage of people who “tend to trust” their national government. If the blue bar is longer than the red one, a higher percentage of the citizens trust the EU than their national government in the country (and vice versa).

Source: Eurobarometer 84.3 (2015).

not necessarily any simpler than the EU’s ordinary legislative procedure. The reality of filibusters in the US Congress is no easier to explain than the consensus culture in the EU’s Council of Ministers. The rise of delegated legislation made by the executive branch is no less worrying in the United Kingdom than it is in the EU. However, the EU is different.

The EU is a polity in the making. The legitimacy of the British, German, and US institutions in the eyes of their

citizens can be taken for granted, to a considerable extent, but this is not the case for the EU. Precisely because the EU is a relatively young and unsettled political system that still has to gain broad popular acceptance of its institutions, it would help if it were simple and straightforward to explain to European citizens. As argued above, it is not, and this is not likely to change any time soon.

WHAT CAN BE DONE?

“Simple” means easy to understand and uncomplicated in design, but it also means an institution that is humble and transparent. If the EU cannot become more straightforward, it could still become humbler, in the sense of being more modest about its own importance, and transparent. This, in the long term, could go a long way toward winning the trust of European citizens. Currently, trust in the EU is rather low, although highly variable across member states and not necessarily lower than trust in the national governments (Figure 3). General lack of knowledge about how the EU works is one of the many factors contributing to this relative lack of trust.¹⁹

Only citizens who trust the EU institutions to a sufficient degree will allow them to lead the policy initiatives that can support economic growth across the continent and respond to global challenges with the required speed and determination. Gone are the days when the European elites could move European integration forward while the public watched from the sidelines, largely uninterested but broadly supportive. Now that the “sleeping giant” of public opinion has awoken, the trust and support of the people need to be actively won in order to give the EU and the national governments the legitimacy to enact the reforms that would make the EU economies stronger and its societies more resilient. There is no silver bullet solution to achieve this, but several recommendations can be made that would help.

First, the EU should aim to simplify the message it projects about its own identity. Currently, there exists a significant gap between the enormous importance of the EU, as asserted by national and European politicians, and ordinary Europeans’ scarce knowledge about the institutions. If citizens believe the claims that

the EU is important, but they do not understand how it works, they will not trust it. In fact, the EU is *not* quite as important in many of the areas that people strongly care about: internal and external security, welfare, and social protection. The EU is, of course, important when it comes to the regulation of the internal market and other areas, but these do not necessarily require the same type of popular legitimacy as military defense or redistribution policies. If politicians scale down their claims about the importance of the EU, and instead focus on the issues that mean the most to the people, citizens might learn to trust the EU.

Second, all EU citizens, and young Europeans in particular, should have the opportunity to learn more about the EU and European integration. At the moment, most high school students across the EU finish secondary education without exposure to *any* information about the EU. It is hard to expect that people would understand, trust, and support the EU if they have received no reliable information about its function and significance during their formative years in school. The EU is complex, but its basic institutions and procedures are not beyond comprehension. A bit of systematic knowledge provided to all students in the EU can go a long way toward building trust and understanding between citizens and the EU institutions.

Third, the EU should be clearer about the fundamental values for which it stands, and more consistent in the promotion of these values with its policies and actions. This is not always easy. In its external relations, for example, the EU must constantly balance between promoting its core values and protecting its economic and security interests. Yet there is no greater hindrance to garnering public support from European citizens than to see the EU compromise its core values, for example, by putting up with violations of press freedoms within its borders or making deals with despots to serve its short-term interests.²⁰

¹⁹ Approximately 47 percent of the citizens who consider themselves knowledgeable about how the EU works tend to trust it, while only 27 percent of those who do not consider themselves knowledgeable about the EU do. Similarly, while 44 percent of the citizens who correctly answer all three simple factual questions about the EU tend to trust it, only 20 percent of those who answer all questions incorrectly do. These comparisons are based on data from the 2013 edition of Eurobarometer survey (Eurobarometer 80.1, 2013). The strong association between knowledge and trust is possibly confounded to some extent by the level of general education and socio-economic status, and the causal links between these two phenomena likely work in both directions (e.g. people who do not trust the EU are also less likely to learn anything about it). But the associations remain strongly suggestive of the positive impact of subjective and objective knowledge about the EU on trust in it.

²⁰ Consider, for example, the EU negotiations for a “refugee deal” with Libya’s Muammar Gaddafi in 2010. Gaddafi initially demanded 5 billion euros a year to block the arrival of illegal immigrants from Africa. A few months later, the European Commission and Libyan officials agreed on increased financial support for Libya’s reforms amounting to a total of € 60 million for the period 2011-2013. See European Commission press release database at http://europa.eu/rapid/press-release_MEMO-10-472_en.htm?locale=en

THE EUROPEAN UNION COULD BE SIMPLE, INCLUSIVE, OR EFFECTIVE. PICK TWO.

Fourth, the EU should be more transparent. This is an often-acknowledged point,²¹ but somehow progress toward this objective remains slow. Unlike the United States, the EU still does not have a mandatory, publicly accessible register of lobbyists.²² The Council of Ministers still does not systematically publicize information about the positions of different member states during legislative negotiations. The European Commission still does not reveal how and why it decides to settle suspected cases of EU law infringements by the member states. Transparency about the actual conflicts that shape policy making and implementation in the EU might present a more confrontational picture of the EU at first, but in the long term it will make clearer to people the nature of policy debates at the EU level, and how the EU institutions work to solve them.

21 For example, it is part of the recent “Trade for All” initiative, which aims to achieve a more responsible trade and investment policy.

22 See the reactions to a public consultation on the proposal for a mandatory EU Transparency Register at http://ec.europa.eu/transparency/civil_society/public_consultation_en.htm.

Fifth, the EU should focus its regulatory attention only where common European rules bring real added value for all citizens, then make sure that these rules are effectively implemented, and have a positive impact. As explained above, there is a trade-off between the flexibility of rules and the chances that they are approved by the member states. Perhaps in many cases it is not worth having rules so riddled with exceptions and national discretion that they have no real impact on the ground, but merely generate a great deal of bureaucratic activities around them. Perhaps the EU should do away with directives as a type of legal act entirely, focusing instead on directly applicable regulations, and streamline enforcement so that member states cannot drag their feet in implementing the EU rules for so long.

It is hard to achieve all this within the framework of existing treaties, lack of political commitment to Europe by national politicians, and skeptical publics. However, for the sake of Europe’s future, it is worth trying. An integrated Europe that citizens do not trust or understand is not viable in the long run. A political system that is complex but does not deliver effective policy solutions is a political system in peril.

ABOUT THE AUTHOR

Dr. Dimiter Toshkov is associate professor at the Institute of Public Administration, Faculty of Governance and Global Affairs. His main fields of research are European Union politics, comparative public policy, and research methodology. He is also affiliated with the Central and East European Studies Centre (CEES) and is a chair of the Admissions Board of the Institute of Public Administration.

He teaches courses on public policy and research design and regularly gives talks on game theory, research methodology, and European integration.

Dimiter Toshkov studied public administration at Sofia University and Leiden University and obtained a PhD degree from Leiden University in 2009. His research has won prizes for best article in European Union Politics for 2011 and Public Administration (2013). Recently, Dimiter Toshkov published a textbook on Research Design in Political Science (Palgrave Macmillan, 2016).

Atlantic Council Board of Directors

CHAIRMAN

*Jon M. Huntsman, Jr.

CHAIRMAN EMERITUS, INTERNATIONAL ADVISORY BOARD

Brent Scowcroft

PRESIDENT AND CEO

*Frederick Kempe

EXECUTIVE VICE CHAIRS

*Adrienne Arsht

*Stephen J. Hadley

VICE CHAIRS

*Robert J. Abernethy

*Richard W. Edelman

*C. Boyden Gray

*George Lund

*Virginia A. Mulberger

*W. DeVier Pierson

*John J. Studzinski

TREASURER

*Brian C. McK. Henderson

SECRETARY

*Walter B. Slocombe

DIRECTORS

Stéphane Abrial

Odeh Aburdene

*Peter Ackerman

Timothy D. Adams

Bertrand-Marc Allen

John R. Allen

*Michael Andersson

Michael S. Ansari

Richard L. Armitage

David D. Aufhauser

Elizabeth F. Bagley

*Rafic A. Bizri

Dennis C. Blair

*Thomas L. Blair

Philip M. Breedlove

Reuben E. Brigety II

Myron Brilliant

*Esther Brimmer

R. Nicholas Burns

*Richard R. Burt

Michael Calvey

James E. Cartwright

John E. Chapoton

Ahmed Charai

Sandra Charles

Melanie Chen

Michael Chertoff

George Chopivsky

Wesley K. Clark

David W. Craig

*Ralph D. Crosby, Jr.

Nelson W. Cunningham

Ivo H. Daalder

Ankit N. Desai

*Paula J. Dobriansky

Christopher J. Dodd

Conrado Dornier

Thomas J. Egan, Jr.

*Stuart E. Eizenstat

Thomas R. Eldridge

Julie Finley

Lawrence P. Fisher, II

*Alan H. Fleischmann

*Ronald M. Freeman

Laurie S. Fulton

Courtney Geduldig

*Robert S. Gelbard

Thomas H. Glocer

Sherri W. Goodman

Mikael Hagström

Ian Hague

Amir A. Handjani

John D. Harris, II

Frank Haun

Michael V. Hayden

Annette Heuser

Ed Holland

*Karl V. Hopkins

Robert D. Hormats

Miroslav Hornak

*Mary L. Howell

Wolfgang F. Ischinger

Deborah Lee James

Reuben Jeffery, III

Joia M. Johnson

*James L. Jones, Jr.

Lawrence S. Kanarek

Stephen R. Kappes

*Maria Pica Karp

*Zalmay M. Khalilzad

Robert M. Kimmitt

Henry A. Kissinger

Franklin D. Kramer

Richard L. Lawson

*Jan M. Lodal

*Jane Holl Lute

William J. Lynn

Izzat Majeed

Wendy W. Makins

Zaza Mamulaishvili

Mian M. Mansha

Gerardo Mato

William E. Mayer

T. Allan McArtor

John M. McHugh

Eric D.K. Melby

Franklin C. Miller

James N. Miller

Judith A. Miller

*Alexander V. Mirtchev

Susan Molinari

Michael J. Morell

Richard Morningstar

Georgette Mosbacher

Thomas R. Nides

Franco Nuschese

Joseph S. Nye

Hilda Ochoa-Brillembourg

Sean C. O'Keefe

Ahmet M. Oren

Sally A. Painter

*Ana I. Palacio

Carlos Pascual

Alan Pellegrini

David H. Petraeus

Thomas R. Pickering

Daniel B. Poneman

Daniel M. Price

Arnold L. Punaro

Robert Rangel

Thomas J. Ridge

Charles O. Rossotti

Robert O. Rowland

Harry Sachinis

Brent Scowcroft

Rajiv Shah

Stephen Shapiro

Kris Singh

James G. Stavridis

Richard J.A. Steele

Paula Stern

Robert J. Stevens

Robert L. Stout, Jr.

John S. Tanner

*Ellen O. Tauscher

Nathan D. Tibbits

Frances M. Townsend

Clyde C. Tuggle

Paul Twomey

Melanne Verveer

Enzo Viscusi

Charles F. Wald

Michael F. Walsh

Maciej Witucki

Neal S. Wolin

Mary C. Yates

Dov S. Zakheim

HONORARY DIRECTORS

David C. Acheson

Madeleine K. Albright

James A. Baker, III

Harold Brown

Frank C. Carlucci, III

Ashton B. Carter

Robert M. Gates

Michael G. Mullen

Leon E. Panetta

William J. Perry

Colin L. Powell

Condoleezza Rice

Edward L. Rowny

George P. Shultz

Horst Teltschik

John W. Warner

William H. Webster

*Executive Committee Members
List as of June 19, 2017



The Atlantic Council is a nonpartisan organization that promotes constructive US leadership and engagement in international affairs based on the central role of the Atlantic community in meeting today's global challenges.

© 2016 The Atlantic Council of the United States. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from the Atlantic Council, except in the case of brief quotations in news articles, critical articles, or reviews. Please direct inquiries to:

Atlantic Council

1030 15th Street, NW, 12th Floor,
Washington, DC 20005

(202) 463-7226, www.AtlanticCouncil.org