A President for the European Union: A New Actor in Town?*

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Abstract

In the post-Constitution EU, the rotating Presidency would be replaced by a hybrid system combining a rotating component with the establishment of a permanent President for the European Council. Using a principal-agent framework, we look at the supply and demand for formal leadership in the new system, accounting for the substantial institutional change in the format of the Presidency. We then examine the President’s effectiveness and efficiency and discuss whether the President, as a new institutional actor, has the potential to evolve into an autonomous political actor in the EU. Our analysis suggests a discernible though by no means unconditional strengthening of the President’s potential for an autonomous political role in the new EU institutional architecture.

Introduction

One of the major institutional reforms contained in the Constitutional Treaty of the European Union (henceforth: Constitution) concerned the EU Presidency system. This particular item will probably be among those salvaged

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and included in the next institutional reform of the EU, whenever that takes place and regardless of the final outcome of the Constitutional endeavour. In such event the provisions for the new Presidency format will create a new EU institutional actor of major political visibility. Since the departure point for any transformation of the Presidency system would most likely be the particular Constitutional provisions, we take them as the point of departure for our analysis in this article.

The Constitution introduces a hybrid system that combines permanent and rotating Presidencies, the former for the European Council and the Council of Ministers of Foreign Affairs and the latter for the other technical Councils. This new, two-tier system has not yet been subject to systematic scholarly analysis, thus creating a gap in the existing Presidency literature. In an attempt to fill this gap, we examine the role of the (semi-) permanent President in the EU political system and assess effectiveness and efficiency in performing the assigned tasks and functions. In particular, we question whether the Constitution gives rise to a new political actor and examine the permanent President’s potential for political autonomy. Political autonomy suggests a President growing out of the statutory, agent role envisaged in the

1 The need to reform the Presidency system is among the reforms regarded as both urgent and least controversial and features regularly in the various post-constitutional ‘Future of Europe’ scenarios. Since the European Council has already accepted the format introduced by the Constitution, this already represents a political starting point.

2 According to the Constitution, the European Council President (henceforth: the President) will be elected by qualified majority vote for a term of two and a half years renewable once. In the event of an impediment or serious misconduct, the President’s term in office can be ended with the same voting procedure. The tasks of the President include chairing the European Council and driving forward its work, providing preparation and continuity, facilitating cohesion and consensus within the European Council and ensuring in conjunction with the Union Minister of Foreign Affairs – the external representation of the Union (Article I-22). The Union Minister will have a ‘double hat’ presiding over the Foreign Affairs Council and being one of the vice presidents of the Commission. The Minister’s primary responsibility will be to ensure consistency of the Union’s external action (Article I-28). Finally, the Presidency of the Council in its various formats will be held by Member State representatives on the basis of equal rotation in accordance with a decision to be reached at a later stage at European Council level (Article I-24). The draft arrangement refers to pre-established groups of three Member States for a period of 18 months, each member of the group chairing in turn for a six-month period all configurations of the Council (Declaration on Article I-24, 7).

3 Literature on the rotating Presidency comprises early publications that dealt explicitly with the Presidency system (Wallace and Edwards, 1976; Dewost, 1984; Wallace, 1985; de Bassompierre, 1988; Kirchner, 1992), works on the Council of Ministers (Westlake, 1995; Hayes-Renshaw and Wallace, 1997; Sherrington, 2000) and numerous case studies of particular Presidencies. Departing from the earlier descriptive focus, more recent comparative work has provided a more compact typology of Presidential functions and parameters affecting the efficiency of each Presidency (Elgström, 2003; Tallberg, 2004, 2003; Metcalfe, 1998).

4 We understand effectiveness as correspondence between goals and outcomes; with regard to the Presidency, effectiveness denotes successful fulfilment of its tasks. We understand efficiency in input-output ratio terms; with regard to the Presidency, the term denotes an efficient employment of resources towards realizing its objectives.
Constitution, assuming political action that exceeds the narrow scope of the principal’s mandate.\(^5\)

In our analysis we use a principal-agent framework to conceptualize the role of the permanent President in the post-Constitution institutional architecture. In section I of the article, we dwell on the demand for and supply of formal leadership as well as delegation problems that create windows of opportunity for autonomous agent action. The insights of such analysis are subsequently used in the second and the third sections of the article. In section II, we account for the creation and format of the new Presidency system. In section III we discuss whether the new supranational actor can take advantage of the theory-prescribed potential control slack and assess such potential in view of the existing institutional arrangements and control mechanisms. We adhere to the functionalist reading of the Presidency, considering it as an institution set up to perform specific functions. In that respect, the degree of the permanent President’s political autonomy will largely depend on the successful performance of these tasks.\(^6\) Hence, the third section of the article assesses the potential performance of Presidential functions in the new system, considering the resources and parameters that affect the President’s effectiveness.

Our contention is that radical changes in the EU environment have altered the way (most) Member States perceive the efficiency frontier of the Presidency system, increasing the demand for more formal leadership to counter agenda-shaping, negotiation and representation deficiencies. The vague new systemic environment is conducive to the President/agent supplying leadership and through it exercising political entrepreneurship. The realization of this potential will depend to a great extent on the capacity of the President to build on existing resources and bypass the formal Constitutional constraints.

I. Demand for Leadership and Delegation Problems

In most EU Presidency accounts, the issue of leadership has been treated implicitly, despite the number of studies that have stressed its significance in enhancing the scope and authority of an international organization (Cox, 1969, p. 205; Cox, 1974; Schechter, 1987, pp. 197–8; Young, 1991, p. 281).

\(^5\) We focus on the President of the European Council. However, the analysis can be expanded mutatis mutandis also to the Minister of Foreign Affairs, though with some qualifications in terms of the functions, resources and parameters affecting the Minister’s institutional and political role, not least the parallel membership of the Commission.

\(^6\) Needless to say, our analysis is predicated on a divergence of preferences between the agent and the principal(s). The whole discussion on the President’s room for manoeuvre and autonomy is relevant only in view of a significant preference divergence between the principals (EU Member States) and the agent (President).
Leadership is understood as ‘an asymmetrical relationship of influence in which one actor guides or directs the behaviour of others towards a certain goal over a certain period of time’ (Underdal, 1994, p. 178). Formal leadership refers to formally established positions of authority, mainly in the form of the chairmanship office, sanctioned by the principals to control an otherwise anarchical process (Smith, 2002, p. 121). Successful formal leadership does not follow a single pattern and is heavily context- and personality-dependent. It is exercised in accordance with the particular rules of interaction in any given institutional milieu, the limitations deriving from the constituent agreement on the setting of an international organization and the personal traits of the figure(s) assigned to such positions of authority (Schechter, 1987; Burns, 1978; Kille and Scully, 2003). It can be of short- or medium-term nature depending on the timeframe and the kind of issues handled (Metcalf, 1998, p. 414). Three analytically distinct forms of leadership come regularly into play in international interaction: structural, entrepreneurial and intellectual leadership (Young, 1991). Structural leadership largely connotes the translation of structural, resource-based power into the form of bargaining leverage in negotiations. Entrepreneurial leadership refers to the framing of an issue in such a way as to facilitate integrative bargaining and to strike deals that would otherwise elude negotiating partners. Finally, intellectual leadership relies on the power of ideas to shape perspectives and orient the actors involved to certain outcome directions.

The demand for formal leadership derives from three forms of collective-action problems, namely agenda-, negotiation- and representation-failure. Thus, the chairmanship as an institution in political decision-making processes should be understood as a functional response to these problems (Tallberg, 2006, pp. 27–40). The capacity of the chairmanship office, once established, to meet the functional demand for formal leadership depends on the availability of resources and the formal institutional environment within which the chair is called to operate (Tallberg, 2006, pp. 41–51). Resources comprise primarily privileged information and procedural control. The former derives both from the asymmetrical access to information by virtue of the position and ‘honest broker’ function as well as the content expertise referred to in the negotiation literature (Wall and Lynn, 1993). The latter refers to the privileged control often enjoyed over negotiation sequence, frequency, format and even method (single negotiating text or alternative proposals). The institutional environment is related not only to the format of the chairmanship office (rotation, election from the participating states, 7 In contrast, informal leadership can be exercised by any resource-endowed actor in an anarchical environment.

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appointment of supranational official) but also the formal institutional rules of
agenda-setting (is agenda-setting power shared or vested only in the chair?)
and decision-making (unanimity or majority voting?).

The establishment of the chairmanship office with the delegated powers
and authority to supply formal leadership leads to the emergence of a new
institutional agent. Setting up an agent constitutes in itself a contractual
agreement, which is – to one extent or another – incomplete. Hence, in the
fulfilment of their tasks, the agents enjoy a zone of discretion defined by the
sum of delegated powers minus the sum of the *ex post or ex ante* control
mechanisms put in place by the principals to control the agent’s actions
(Thatcher and Stone Sweet, 2002, p. 5; Calvert *et al.*, 1989, p. 589). The
nature and strictness of these control mechanisms depend on the purpose of
delegation. Such control mechanisms can be either formal or informal.
Formal constraints include mainly the institutional procedures that provide
the formal basis of the agency and take the form of appointment, administra-
tive and oversight procedures (Tallberg, 2004, pp. 1001–2; Kiewiet and
McCubbins, 1991). Informal constraints comprise basically the – most often

Controlling for ‘agency losses’ becomes more complicated in cases where
principals are not unified but comprise a multitude of actors whose collective
preferences about the agent’s tasks and functions may change periodically
(Thatcher and Stone Sweet, 2002, p. 6). Collective principals are vulnerable
to the original collective action problems that delegation aims to solve in the

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8 If principals create an agent in order to realize pre-determined and quite specific objectives, then the
distribution of policy preferences among principals at the time of the delegation will determine *ex ante* the
exact scope of agent discretion. On the contrary, in cases of high uncertainty, rapid change or the existence
of several policy alternatives along the Pareto line, effective *ex post* controls will be better suited to deal
with ‘agency losses’ (Thatcher and Stone Sweet, 2002, p. 5; Elster, 2000).

9 Agents with an open-ended lifespan are less constrained than those subjected to review at a pre-
determined time. Appointment procedures offering the possibility of re-election generate incentives for the
agent to deliver. Administrative procedures, which further specify the agent’s formal mandate, the instru-
ments available at its disposal and the procedural rules of action, can follow the contractual agreement with
which an agent is set in place and limit the scope of the agent’s discretion. They are *ex ante*, non-coercive
control mechanisms that induce agent compliance (McCubbins *et al.*, 1987). Oversight procedures con-
stitute means of *ex post* control, permitting the principal to monitor the agent’s activities and impose
sanctions when the agent exceeds acceptable levels of autonomy.

10 Most commonly met are the norms of efficiency (directly linked to the agent’s functional nature of
delivering prosperity-enhancing solutions to the collective action problems), neutrality and impartiality
with regard to the choice of options from the multitude available at the Pareto frontier. Neutrality refers to
situations in which the activities of an agent have no impact on the *relative* distribution of payoffs among
the principals. Impartiality refers to the lack of a particular bias or preference of the agent in favour of any
of the principals (Young, 1972, p. 56).

11 Note the difference between collective and multiple principals: the first suggests a single contract of an
agent with a principal composed of more than one actor, whereas the second implies an actor with more
than one contracts with organizationally distinct principals.
first place. In situations of such complexity it becomes harder for a collective principal to exercise efficient control over the agent because it is more difficult for the principal’s constituent actors to agree on the accepted extent of agent slippage (Kiewiet and McCubbins, 1991). Hence, *ceteris paribus*, agency slippage tends to increase with the number of actors forming the collective principal, unless there is an *a priori* agreement between the principal’s constituent actors to employ specific decision rules that allow a clear preference aggregation function of the group (Lyne and Tierney, 2002).

II. Institutional Change and the New EU Presidency System

The EU’s institutional architecture has been the outcome of two different types of integration dynamics, one characterized by *major intergovernmental conferences* (IGCs) and the second by an *interregnum type* of integration that has occurred incrementally between formal bargains (Stacey and Rittberger 2003, p. 863). The rotating Council Presidency developed its structural characteristics and grew in stature over time by default rather than by design (Kirchner, 1992, p. 71). Two factors contributed substantially to the Presidency’s ascendance in the EC/EU institutional system: successful response to emerging functional needs and the lack of formal delimitation of the presidential tasks (Hayes-Renshaw and Wallace, 1997, p. 135).\(^\text{12}\) The former provided the impetus for competence expansion and the latter ensured flexibility in the evolutionary process. The gradual ascendance of the Presidency as a key factor in the Council’s functioning raised awareness, generated concerns about its potential effectiveness and brought to the foreground ambitious reform proposals, which, however, remained always at the fringes of negotiation in previous rounds of institutional reform.\(^\text{13}\)

The evolutionary nature of the Presidency affirms the functionalist reading of the Presidency office in the sense that it emerged and evolved primarily as a response to the needs and the changing conditions in the scope and pace of

\(^{12}\) A first, ‘practical, not legal’ clarification of the Presidency’s principal tasks was attempted as late as 1979, in the ‘Report of the Three Wise Men’. A very basic outline of the Presidency’s tasks was introduced in 1986, in the Single European Act (in Title III with regard to European Political Co-operation) and in 1992, in the Treaty of European Union (more prominently in articles J and K establishing the second and third pillars respectively). Updated and more detailed accounts were provided in the Council’s Rules of Procedure (for example ROP 1979, 1987, 1993). However, in all cases, the various clauses reflected established practice – primarily from the foreign policy field (EPC or CFSP) – rather than prescribed new practice (Hayes-Renshaw and Wallace, 1997).

\(^{13}\) Ideas hovering in that debate included extended periods beyond the six months, team presidencies, the creation of a ‘directorate’, an elected presidency, an enhanced partnership of the Presidency and the Commission, etc. (Hayes-Renshaw and Wallace 1997, pp. 153–5). See also the Report of the Working Party set up by the Secretary-General of the Council in 1999 (‘Operation of the Council with an Enlarged Union in Prospect’ – Trumpf-Piris Report).
European integration. The ever-expanding EC/EU agenda and successive enlargements multiplied both the negotiating games and the players involved, thus increasing the need for more efficient agenda management, inter-sectoral policy co-ordination, effective brokerage and external representation. Hence, the rising demand for these functions was met by the gradual empowerment of the rotating Council Presidency. The assignment of these powers and functions to an office under the direct control of the (still intergovernmental, albeit majoritarian) Council and the element of rotation, which ensured co-responsibility, appeased concerns of national sovereignty encroachment. Direct control and rotation ensured that the strategic calculus of all constituent Member States largely adhered to this particular Presidency format with no need to engage in substantial institutional changes. Thus, the Presidency’s ascendance in the EU institutional order took place within the evolutionary path that was largely defined by the early formative agreement and occurred during the interregnum period between the ‘big bangs’ of European integration.

In contrast to previous practices, however, the status and format of the Presidency became one of the central issues in the European Convention and the 2004–05 IGC. The first issue that was put in the discussion was whether the Presidency should become the single locus of executive power within the Union, merging the posts of the Commission and Council Presidents (a ‘double hatted’ Presidency). Alternatively, the ‘separate hats’ version advocated separate Presidents for the Commission and the (European) Council with executive power exercised by both (Craig, 2004, p. 15; Hoffman, 2003). The second highly contested issue with regard to the Presidency system once the ‘separate hats’ option came to the fore was the strengthening of the Presidency in the form of some kind of more permanent structure and the abolition of the previous rotating scheme. Around this issue, two camps were basically formed during the various stages of the debate. The first camp advocated the radical overhaul of the existing rotating system of Presidency

14 Indicative of the sensitivity of the issue in question was the number of amendments submitted to the Articles referring to the Presidency, see: <http://european-convention.eu.int/amendments.asp?content=41699&lang=EN>.

15 The ‘double-hatted’ President was most prominently put forward in the Duff-Dini contribution, which advocated that a combined Commission/Council President would enhance the EU’s efficiency and transparency (CONV 524/03; for a discussion of the advantages of such a system, see Crum and Coussens, 2003). The joint Franco-German contribution of de Villepin and Fischer (CONV489/03) and the British ‘non-paper’ positioned the three countries in the second camp endorsing the ‘separate hats’ option (for a critique of the Franco-German proposal, see Hughes, 2003; for support, see Hoffman, 2003). However, the two sides did coincide with the need to establish a ‘double-hatted’ Minister of Foreign Affairs. With regard to the Council Presidency, the Duff-Dini suggested a kind of rotation according to the existing system whereas the Franco-German proposal remained quite ambiguous referring to the necessity of equal participation of Member States in a system of rotation (Hoffman, 2003, p. 3).
with the appointment of a permanent President chosen by the European Council from among its former members. The idea of a longer-term, strengthened Presidency was central to the ‘ABC’ view (Aznar, Blair and Chirac) supported by Spain, the UK and France in the Convention. The joint Franco-German contribution brought Germany on board in support of the permanent President format with the *quid pro quo* acquiescence by the French side to an elected Commission President (CONV 489/03). This suggestion was strongly backed by Convention Chairman Giscard d’Estaing only to cause the vehement reaction of the more pro-integration Convention members, the EP representatives and the Commission (Norman, 2003, p. 2). Their strong reaction to the Presidium’s announcement of the Constitutional provisions on the Presidency led to the watering down of these proposals but the main concept was embodied in the Draft Constitution (Article I-21) and remained largely unscathed in the subsequent IGC.

The Constitutional outcome signalled two critical points of rupture, first with respect to the new (hybrid) Presidency format and, second, the modality of this change through formal intergovernmental bargaining instead of interregnum adaptation. The new EU environment (following the expansion of membership, the call for a more assertive global presence of the EU and more broadly the emerging constitutional order) has increased the demand for formal leadership by the Presidency and have challenged the capacity of the rotating scheme to supply it. Changes in the EU environment have altered the efficiency frontier of the Presidency, lifting for some Member States the bar of the functionalist ambition (and expectation) regarding the role and functions of the Presidency. In this emerging environment, the collective efficiency gains to be reaped from preserving the rotating Presidency status quo appeared highly suboptimal, at least from the standpoint of a cluster of Member States, mainly comprising ‘the big beasts in the EU jungle’. Hence, these latter withdrew their support from the rotating format whereas other Member States in their own cost-benefit analysis continued to adhere to the old system. A decision on such a radical format rupture, which would involve delegation of authority to an autonomous institutional actor and would change the evolutionary path of the last 40 years, could not be taken within the framework of Council deliberations. Once elevated to the level of a major intergovernmental conference, the outcome would be inevitably linked to the

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16 The main concern expressed by smaller Member States was that such a development would reinforce the Council against the Commission and the larger countries at the expense of the smaller ones. The EU institutional bodies opposed the dual Presidency system on the grounds of potential power competition and institutional rivalry (Craig 2004, p. 16). The ‘federalist camp’ tried to ‘kill off’ the permanent Presidency proposal by suggesting a lightening of the Presidency’s burden and the refocusing of the Presidency on the procedural responsibilities while transferring most of its executive tasks to the Commission (Crum and Coussens, 2003).
broader integrationist agenda and the bargaining power balances. Given the unanimity requirement for the final Constitutional reform package, the hybrid Presidency system emerged as the ‘common denominator’ solution in an attempt to bridge the gap between the two opposing camps.

Thus, the new Presidency system is the outcome of two distinct competing strategic pursuits about the Presidency. The first entailed the continuation of the evolutionary path delimited in the early formative years with the adjustment of the rotating Presidency to the new environment. The second, considering the rotating system unable to meet the increased demand for leadership in the new environment, adhered to a new institutional format as better fit to meet the new challenges. The magnitude of change with the abandonment of a 40 year long path of action (with the accumulated inertia involved) and power delegation (at least partly) to a new institutional body was beyond the scope of the Council and required handling within an IGC framework. The hybrid outcome reflects relative bargaining power in the IGC negotiations, unanimity requirements and the package deal nature of the Constitutional Treaty.

III. Presidential Effectiveness and Autonomy: A New Actor in Town?

As seen in the previous section, the reform of the rotating Presidency system was due to the changes in the EU systemic environment that altered (some) Member States’ perceptions of the Presidency’s efficiency frontier and subsequently the demand for formal leadership. On the basis of a functionalist reading of the Presidency and the past evolutionary record of the rotating Presidency format, the potential for the permanent President to develop into an autonomous political actor will largely depend on the successful fulfilment of Presidential functions and the ability to bypass the control mechanisms set up by Member States. Successful performance will depend on the available resources of the permanent President and on the exogenous and endogenous parameters that may interfere in the performance of the tasks. However, the strengthening of the Presidency – if exceeding the limits acceptable to Member States – will be constrained by the institutional and normative constraints that prevent the agent (President) from running out of the principal’s (Member States) control. In this context, we now move to examine in turn the President’s functions, resources and parameters affecting performance in the new EU Presidency environment.

Presidency Functions in the Post-Constition EU

The various functions of the rotating Presidency have been reduced into four main categories: administration and co-ordination; agenda shaping;
mediation; and Council representation internally and externally (Quaglia and Moxon-Browne, 2006, pp. 351–2; Elgström, 2003, pp. 4–7; Kirchner, 1992, pp. 79–82; Wallace, 1985). In the new system, these four tasks have been allocated, non-exclusively, to the permanent President.

More specifically, the permanent President is entrusted with an overarch- ing co-ordinating role, being called to ‘ensure the preparation and continuity of the work of the European Council’ (A. I-22). The permanent President shall act in co-operation with the Commission President and the rotating group of Member States. Meeting this task suggests an even greater reliance of the President upon the General Secretariat’s resources to provide the necessary administrative back up. Co-ordination problems might arise between the two Presidency tiers (three including the Minister of Foreign Affairs) affecting the overall organizational performance of the Presidency system. At the same time, the longer tenure in office of the permanent President will help establish closer liaisons with the Commission and the EP, improving inter-institutional co-ordination. No serious turf competition with the Commission should be expected to arise given that co-ordination/administration for most of the day-to-day Council business will remain under the rotating Presidency tier.

With respect to agenda shaping, the permanent President does not have any Treaty-enshrined legal authority to initiate policy proposals. However, viewed under the broader conceptualization of agenda-shaping (Tallberg, 2003, pp. 6–13), the President will enjoy some discretionary powers in this process, primarily by affecting policy prioritization and exclusion of agenda items. This discretionary capacity is of particular importance, especially in the EU-25 environment characterized by expanding agendas, with Member States striving to add their own policy issues or affect prioritization of policies already in the policy-making pipeline. The longer office tenure for the permanent President suggests greater continuity in agenda management.

Despite the presumed functioning of the rotating Presidency as an office of the EU and not in pursuit of national interests, brokerage activities have often taken place under the spectrum of Presidential partiality. The permanent President’s disassociation from national interests should enhance his/her mediating capacity. The prescribed neutrality of the post should appease Member State concerns about the capacity of the Presidency to act as an ‘honest broker’. However, this function will be heavily constrained by the unanimity decision-making rule and the formal requirement of the permanent President to endeavour consensus within the European Council.

Finally, regarding representation, the President will convey increased authority externally, as a figure personifying the whole EU and will project internationally an image of continuity and coherence that should help address concerns about ‘who speaks for Europe’. The office entails a great deal of
media exposure, which also generates potential for public identification with the person in office and greater chances for pursuing a more autonomous role. However, the President’s external representation function overlaps heavily with that of the Union Minister of Foreign Affairs. Additional competition over external representation turf could be conceivable with the Commission President as well.

In sum, administration and co-ordination may be strained between the different Presidency tiers, but the longer-term tenure of the President suggests a better working relationship with the other EU institutional bodies. The permanent President will enjoy some discretionary power in agenda-shaping, deriving primarily from a privileged position in control of procedural policy-making mechanisms. The mediating function should be assisted by the presumed neutrality of the President that will facilitate agreement. The same holds for the representation function – both internally and internationally – due to the permanent President’s greater authority to ‘speak for Europe’.

**Presidency Resources**

Successful performance of the Presidential functions entails an effective and efficient use of the available resources. Different assumptions about the actors’ logic of action point to two different kinds of Presidential resources. Actors’ responses to international stimuli can be driven either by a logic of anticipated consequences and rational preferences or a logic of appropriateness and senses of identity (March and Olsen, 1998, pp. 949–52). Or, more accurately, rational action can coexist with norm-driven behaviour in differing mixes depending on the exact politico-institutional and policy context. A logic of consequentiality underlies primarily informational and operational resources (Moe and Howell, 1999, p. 138), associated with informational asymmetries and procedural control. The second logic of appropriateness is better encapsulated in the President’s legitimacy and authority as well as socialization resources that may occur from intensive interaction (Metcalfe, 1998, pp. 416–26). 17

*Information-based resources* constitute a very crucial asset to the fulfilment of the Presidential tasks and functions. It is the Chair’s responsibility to

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17 Although the two categories of resources are associated with different theoretical strands of literature, they should not be considered theoretically incompatible, very much like the two logics of consequentiality and appropriateness from which they derive (March and Olsen, 1998, pp. 952–4). Besides that, some analytical eclecticism with respect to Presidential resources is further called for given the size of the collective agent we are dealing with (the 25 EU Member States) and the intensity and variable contexts of intra-EU interaction. The constituent members of the collective EU agent are bound to adhere to and internalize in varying degrees the two logics of action and their behaviour and preference formation may be subject to diverse influences, also depending on the differential policy contexts.
collect and accordingly communicate selected information to establish the agreement zones between the interacting partners (Raiffa, 1982, p. 108). Resorting to existing bureaucratic resources – with main reference the Council Secretariat that will take up the task of providing administrative support to the President – and procedural arrangements (capital tours, bilateral meetings at various levels, etc.), the EU President will get hold of privileged preference information. Longer tenure in office should be expected to create economies of scale in the gathering and instrumental use of collected information.

Among operational resources, of greater importance for the EU President are the coercion and reward opportunities. In the rotating Presidency format, the most significant coercive resource has been the (not so often realized) threat to call a QMV vote wherever the unanimity rule did not apply. In that respect, coalition-building capacity (Elgström et al., 2001) in the Council context was an important parameter for a successful Presidency in the rotating system to perform its mediating function and move negotiating outcomes beyond ‘common denominator’ options by coercing recalcitrant Member States. In the new Constitutional order, such a possibility will be largely available only to the rotating tier of the Presidency at the technical Councils. The European Council is to retain the principle of unanimity, unless it decides differently. However, in the context of unanimity decision-making in the European Council and given the repeated interactions taking place during the President’s tenure, the President, supported by other Member States, will be equipped with more ‘bullying power’ towards any single outlier Member State as compared to the six-month rotating Presidency. As a delimiting factor of the Presidency’s coercive resources, the Constitutional Treaty provides that the President ‘shall endeavour to facilitate cohesion and consensus within the European Council’ (A.I-22).

Reward resources entail the means available to the President (concessions, side-payments) to produce Pareto-enhancing deals, thus improving the attractiveness of a joint agreement (Carnevale, 1986). Although the Presidency cannot – strictly speaking – take the decision on such rewards, it can lead to the desired outcome by instrumental use of the other available resources, mainly informational asymmetries, in the negotiation and agenda-shaping processes. The Constitution does not seem to enhance significantly the reward resources of the Presidency, with a notable – indirect – exception, albeit one of far-reaching consequences: the potential for effectively striking package agreements. The longer (compared to the previous six-month) time horizon of the permanent President and the cross-disciplinarity of scope ensure an agenda continuity and potential issue linkages that multiply the chances of successfully negotiating complex package agreements.
With regard to the *legitimacy* and *authority* factors, the rotating Presidency format suffered from the underlying suspicion that the country holding the office might use it to promote its own national objectives. In that respect, negotiating outcomes were always under the hovering doubt about whether they indeed represented optimal solutions or whether further shifts closer to the efficiency frontier were left unrealized due to negative distributional implications for the Chair. Hence, the Presidency carried the burden of convincing Member States that its political objectives and actions were not nationally oriented (Metcalfe, 1998, p. 420). That need no longer be the case given the presumed impartiality of the permanent President with respect to the interests of the Member States. After all, that was one of the main arguments in favour of establishing the permanent Presidency format (Hoffman, 2003). Hence, impartiality can substantially improve the legitimacy of Presidential action and facilitate the performance of the Presidential functions.

As far as authority is concerned, the provision that the permanent President of the European Council shall not hold a national office has been used to undermine his/her status and political authority, not matching the previous levels of authority brought to the Presidency by acting Prime Ministers or Heads of State (Hughes, 2003). Contrary to this, we believe that the President’s status will not necessarily be undermined by not holding national office, provided that (s)he has been a distinguished political figure, coming for instance from the league of former Prime Ministers or Heads of State. It is an actual asset of the new system that the status of the President will be somehow immune to the possibility of negative national political developments. A President unshackled from domestic electoral constraints will be much freer to engage in EU political action. The President’s status and political authority could actually be strengthened as a result of being able to devote his/her entire political capital to Presidential tasks. Finally, although the Constitutional Treaty allows for the decision on the President’s appointment to be taken by QMV, a consensual appointment will increase the President’s legitimacy and authority.

Finally, *socialization resources* entail the emergence of a common perspective through repeated social interaction over a longer duration. In international relations, it has been argued that such an interaction increases the likelihood of successful inter-state mediation (Wall and Lynn, 1993, p. 173). In the case of the permanent President, the longer tenure in office (two and a half years renewable once, in comparison to the six-month rotating format) enhances substantially the chances of familiarization and *-engrenage* with a particular style and mode of mediation. In turn, that will affect positively the performance of the Presidential functions.
A first tentative assessment of the Presidential resources in the new system conveys an image of qualified yet unmistakable strengthening. In comparison to the rotating format, it is rather straightforward that the longer tenure of the permanent President will enhance socialization- and information-based resources as well as the capacity for package deals that need time and ripening conditions. In addition to that, the (presumed) neutrality of the permanent President will further his/her legitimacy especially if the President’s appointment is decided consensually. We cannot see any status and authority losses from the fact that the Presidential chair is incompatible with national offices as long as the President is a senior and distinguished political figure. Finally, coercion may gradually evolve into a significant additional resource if the integration pace accelerates and QMV expands as a decision-making rule at the European Council level as well.

Parameters of Effectiveness

The increase in Presidential resources should not prejudge a positive and unqualified assessment of the Presidential potential for successful leadership supply. The latter will also depend on a set of additional (a) exogenous (i.e. environment-related) and (b) endogenous (i.e. Presidency-related) parameters that should be brought into consideration.

(a) Exogenous parameters comprise both international and EU systemic developments that affect the President’s resources (and in turn the capacity to perform the required functions) and/or have an impact on the functions themselves. Such international system related factors include general conditions of enmity or amity in the world, global threats (e.g. the ‘War on Terror’), the status of transatlantic relations, humanitarian and other international (e.g. Iraq) crises, etc. Given that external EU representation is one of the main tasks of the President, developments (whether positive or negative) outside the EU milieu will have a significant impact on the President’s status and profile and will affect available resources (mainly authority). At the same time, many of these developments could trigger tensions between the EU partners, in particular in controversial cases like the recent Iraq crisis, thus rendering the President’s functions much more difficult to execute.

EU systemic developments include the pace of integration, the EU political and economic environment and the decision-making system at European Council level. Starting from the latter, we pointed out earlier that the broader use of QMV will increase the coercive resources of the President. However, such decisions to shift away from consensus-building even at the top EU level suggest an integration-prone environment and at least some degree of adherence to more federalist visions. In such an
acceleration of the pace of integration, the EU President will have a catalytic role to play in orchestrating the overall procedure. The reverse will also hold true: periods of a downturn in the pace of integration, characterized by strong adversary macro-policy preferences, will negatively affect the capacity of the President to deliver upon his/her functions. In periods of public disillusionment and apathy or antipathy for the EU venture, failing commitments by national governments to integration and cyclical problems in the European economy, the President will have a much more difficult mission to carry out. Again, an opposite set of macro-conditions will be conducive to a Presidency excelling in its performance and drawing the resulting credit for it. Domestic political or other national crises at least in the larger Member States might still create some difficulties in the execution of the permanent President’s tasks. However, a major deficiency of the old rotating system has been significantly remedied, namely the possibility of the Presiding country being subject to a domestic crisis and diverting vital political resources from the exercise of the Presidency.18

(b) As far as endogenous parameters are concerned, there were distinctive differences between Presidencies in the old rotating system with respect to country-specific resources (political capital, disposition towards European integration, size, experience and socialization with European norms, etc.) (Westlake, 1995, pp. 49–50; Kirchner, 1992, pp. 82–87). Similarly, the effectiveness and efficiency of the permanent President will depend on personality-specific and institutional design-specific characteristics as well as the evolution of the norms associated with the President’s office.

Personality-specific parameters broadly relate to the beliefs, motives, decision style and interpersonal style of a political leader and take us well into the political psychology and behaviour literature. Such characteristics inter-relate to form a personal, behavioural orientation and a general way of responding to environmental challenges (Hermann, 1980, pp. 8–12), not least moulding the President’s own preferences and utility function with regards to his/her institutional role. Individual preferences (e.g. pro- or anti-integration, liberal or conservative, etc.), personal aspirations about the Presidential office (e.g. caretaker or more active policy promoter) and future career paths (e.g. retired politician or envisaging a comeback to the national political arena) will affect the President’s approach to the office and his/her performance, directing outcomes to own-preferred solutions along the Pareto frontier. A strong personality and an authoritative decision style may be an asset in cases

18 Such unfortunate situation could continue to create problems in the rotating tier of the new system but the team element introduced in the draft Declaration annexed to the Constitutional Treaty may well offset such problems as well.
of negotiating bottlenecks and decisional stalemates, but they may also be counterproductive, creating a non-conducive negotiating environment and affecting negatively the performance of the mediation function of the President. Further personal qualities, like strategic vision, managerial and communicative skills, self-confidence, energy and endurance, mastery of technical and conceptual details, expertise and overall intellect will also play a critical role in the supply of leadership from the President (Yuki, 1981, p. 270; Bercovitch, 1984). Such personal attributes will substantially reinforce the resources of the President and will constitute a valuable set of assets in the successful performance of the Presidential functions. A straightforward implication of our analysis is the importance of selecting carefully the appropriate candidate for the post in the knowledge that his/her personality and preferences will substantially contribute to the moulding of the office, especially in its early formative years.

Institutional design-specific characteristics that will affect the President’s performance basically comprise the current decision-making rules. As discussed already, the more the European Council departs from the unanimity principle (as a result, of, for example, an integrationist offensive), the greater the empowerment of the permanent President. A broader reliance upon QMV not only will make the functions easier to perform (especially mediation), but also increase the President’s resources (especially the operational ones), allowing the President to adopt a more confrontational stance to the outlying Member States. Thus, a change in the decision-making rules at the European Council level will substantially improve the President’s potential to provide successfully formal leadership.

Finally, normative parameters entail adherence to the formal or informal norms associated with the functioning of the Presidency office. For example, a change in the decision-making rules at the top level in order to be meaningful should be accompanied with (or be preceded by) an erosion of the existing ethos of exhaustive consultation to reach consensual agreements. This, however, does not seem to be the case. Instead, a norm that used to be informal and implicit has now been explicitly articulated and formally enshrined in the Constitution. The clause directing the President towards seeking ‘cohesion and consensus’ constitutes a very substantial, norm-derived, impediment to the performance of the Presidential functions.

Supply of Formal Leadership and Autonomy

The parameters discussed in the previous section make a more rigorous assessment of the Presidential capacity to supply successfully formal leadership.
leadership a very difficult task. Notwithstanding that, the permanent President has *ceteris paribus* an increased potential to perform effectively and efficiently the required functions on the basis of the strengthening of the Presidential resources.

The crucial element that underlies the resource expansion seems to be the longer office tenure. Short-term service only allows the chair to become familiar with the environment upon which (s)he is called to operate. Insights from organizational studies suggest that frequent succession of a manager or delegation of a managerial authority to someone for a short term of tenure leads to poor performance of managerial duties. Frequent managerial change usually produces dysfunction within an organization (Hall, 1996, pp. 148–58). Two and a half years in office, with the possibility for an extension to five, will offer the President the opportunity for a medium-term leadership horizon. In terms of leadership forms, the prevailing consensual ethos, now formally enshrined in the Treaty provisions, points more towards an entrepreneurial leadership style facilitated by the capacity to build Pareto-enhancing package deals over the whole range of integration issue areas. Structural leadership should be somehow circumscribed by the resources available to the President. What can constitute a potentially consequential contribution is the capacity for intellectual leadership of the President during their term in office, introducing and establishing conceptual blueprints that frame future policy deliberation.

Successful fulfilment of functions is a necessary but not sufficient condition for an agent’s autonomy. The principal sets in place control mechanisms whose objective is to induce the agent to act in a manner consistent with the principal’s expectations and to ensure that the agent’s over-assertiveness is checked. In the case of the permanent President, both *ex ante* and *ex post* control has been arranged applying formal and informal constraints. To begin with, the President-agent has a specific lifetime of two and a half years. Offering the possibility for a single renewal of tenure, EU Member States have created a favourable incentive structure for the President to rise to the prescribed requirements of the office. However, by an inverse logic, a second-term ‘lame duck’ President may be set free from first-term constraints, keen for a more ‘heroic’ exercise of their duties, with an eye on his or her personal legacy.

At the same time, *ex post* control has been also set in place with reference to the point of dismissal in case of an impediment or serious misconduct. This oversight procedure will be applied by use of the qualified majority, thus addressing the weakness of a collective principal, who faces difficulties in agreeing on acceptable levels of ‘agency losses’. In that respect, the more the actors constituting a principal the more the opportunities an agent exercising
autonomous action, unless the actors comprising the principal agree *a priori* on specific decision-making rules. That is the case with the dismissal of the permanent President, whereby Member States have agreed on QMV to facilitate oversight control and minimize the President’s chances for autonomous action.

In sum, the appointment and oversight procedures include a propitious incentive structure by offering the opportunity for re-appointment and potential sanctions by allowing for dismissal in cases of misconduct. To ensure the meaningfulness of these control mechanisms, Member States agreed to apply the QMV decision-making rule in choosing the President, aiming to avoid collective action impediments that constrain the action of a collective principal.

**Conclusions**

The Constitutional provision has introduced a new institutional actor, whose chances of becoming part of the EU institutional architecture, sooner or later, appear to be far better than those of the Constitution itself. The question in that case is whether and to what extent the President will provide the required formal leadership and play potentially an autonomous political role. Such assessment can only of course be tentative until the new system gets the chance to operate in practice.

Our arguments build on the functional ability of the Presidency to counter collective-action problems and fulfil specific functions in the course of European integration. The new (hybrid) Presidency system has been the outcome of an increase in leadership demand in response to the new EU and international environment and the deriving change in the perceptions of (some) Member States as regards the capacity of the rotating Presidency to provide the necessary leadership. We have used a ‘principal-agent’ framework to discuss the potential of the permanent President to emerge as an autonomous political actor in the EU context. Realization of this potential will depend on the successful execution of the Presidential functions. Effective performance of the Presidential functions will be contingent on the permanent President’s available resources, most of which are bound to be enhanced by the longer tenure and presumed neutrality of the President. However, successful employment of these resources will depend on a number of exogenous and endogenous parameters, comprising developments in the EU and international systemic environment, the personal attributes of the President, institutional-design specific characteristics and the norms associated with the office.
Taking a step back to grasp the full picture of the new system, it seems that the state of affairs envisaged by the Constitution is conducive for the permanent President to consolidate his/her position in the post-Constitution order. Our analysis suggests a discernible though by no means unconditional strengthening of the Presidency’s potential for an autonomous political role in the new EU constitutional architecture. In the EU-25, the great diversity of opinions and policy preferences will provide numerous opportunities for the President to provide leadership and drive forward the integration vehicle, thus enhancing the President’s own political role in the system. It seems that this potential has not passed unnoticed by Member States, especially the ones least enthusiastic about the appointment of a permanent President. This lack of consensus and the innovative (and therefore uncharted) nature of such an appointment have dictated control mechanisms to appease opposition, ensure compliance with the requirements of the office and decrease as much as possible the chances of having a new autonomous political actor in town.

However, the effectiveness of these mechanisms remains to be seen, especially given the President’s continuous visibility and identification with the EU in the public eye. Such public visibility will enhance the President’s slack potential. Furthermore, given the vagueness of the Constitutional provisions regarding the President’s status (the Constitution being an incomplete contract), the exact configuration of the President’s power and autonomy will be largely determined by the interaction with the other EU institutions, not least the potential rivalry with the Commission. This could be particularly the case in areas of overlapping or underspecified authority and jurisdiction, e.g. global representation beyond foreign and security policy and so on. The early formative years will be decisive for the exact position and role of the President in the post-Constitution EU architecture. In that respect it becomes even more critical to identify the right figure for the post.

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19 The same argument holds also in the event the provision becomes incorporated in a Treaty.
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