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Hodson, Dermot (2013) The little engine that wouldn't: supranational entrepreneurship and the Barroso Commission. *Journal of European Integration* 35 (3), pp. 301-314. ISSN 0703-6337.

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The Little Engine that Wouldn't: Supranational Entrepreneurship and the Barroso Commission

Dermot Hodson

ABSTRACT: This paper seeks to evaluate and explain the degree of supranational entrepreneurship shown by the European Commission following the global financial crisis. Focusing on the period 2007–2011, it finds that the Commission used its right of initiative and/or mobilised ideas and information to pursue a supranational European Union (EU) economic policy in few cases. These findings are explained with reference to strategic entrepreneurship, that is the Commission's reluctance to support integrationist initiatives unless they stand a chance of success, and by the fact that partisanship took precedence for the EU executive over the pursuit of integration in some cases. The Commission could yet capitalise on the crisis but its actions in this period call for greater attention by scholars to preference formation by supranational actors as well as a reconsideration of what it means for the EU executive to lead.

KEY WORDS: Supranational entrepreneurship, global financial crisis, EU economic policy

Introduction

'Please, Little Blue Engine,' cried all the dolls and toys. 'Won't you pull our train over the mountain?' (Watty Piper)

Whether supranational entrepreneurship can succeed is a recurring question in debates about European integration, with Sandholtz and Zysman (1989) and Moravcsik (1999) differing over Jacques Delors' influence, just as Haas (1958) and Hoffmann (1964) had done in relation to Jean Monnet. Scholars typically see the European Commission as being 'in decline' after Delors (Peterson 2012, 97). Both Jacques Santer and Romano Prodi were criticised for weak leadership (Cini 2008), while Jose' Manuel Barroso is seen as a pragmatist rather than a pioneer (Cini 2005). For all such declinism, the idea that the Commission can show leadership in general (see Sandholtz and Stone Sweet 2012) and in relation to specific areas of policy-making (Howarth 2008; Parker and Karlsson 2010) still resonates with some scholars.

Theories of supranational entrepreneurship tend to emphasise structure over agency. Pollack (1997) sees the Commission's capacity for entrepreneurship as contingent on member states' uncertainty about optimal policy choices. Distributional consequences also matter for Pollack, who sees member states as turning to the Commission for information and ideas on further integration in cases where the costs of common policies are low. Commission entrepreneurship also depends, he argues, on the support of significant non-governmental actors. For Moravcsik (1999), supranational entrepreneurship will succeed if the Commission can solve collective action problems before national governments. Failures of organisation and representation will favour entrepreneurship, he argues, when the Commission is better informed than governments about interest groups that support integrationist initiatives. Failures of aggregation will work similarly, Moravcsik argues, when the Commission backs such initiatives before governments form a coherent negotiating position.

There is limited space for agency in these accounts since both assume the Commission would engage in entrepreneurship if structural conditions allow. For

Pollack (2005, 36), the Commission is an engine of integration because its officials are hardwired to support 'more Europe' for reasons of self-interest or ideology. This point is consistent with Moravcsik (1999, 271n) who assumes that the Commission 'tend[s] to favor more ambitious schemes for further institutional and substantive integration'. Recent research gives reason to question these assumptions. That the EU executive has become more partisan is suggested by Hix (2008), who finds that the median-voter in the Barroso Commission is to the right of the median-voters in the Santer and Prodi administrations. This is due, he argues, to changes introduced by the Nice Treaty, which allowed a qualified majority of (centre-right) governments to propose Barroso as President in June 2004 and ended the practice whereby large countries nominated Commissioners from both the left and right. What these changes mean for supranational entrepreneurship Hix does not say, but his findings surely imply that partisanship can take precedence over the pursuit of further integration.

This paper uses the reform of EU economic policy following the 2007–2008 global financial crisis as a case study in supranational entrepreneurship. As economic crises go, the EU has faced no greater challenge, severe liquidity shortages starting in mid 2007 followed by a systemic banking crisis in late 2008. These events led to a severe recession in the euro area in 2009 followed by surge in government borrowing. By early 2010, Greece was close to defaulting, with Ireland and Portugal facing a similar fate soon after. Although the crisis had clearly yet to run its course by the end of 2011, it had already served as a catalyst for policy change, with member states agreeing on, *inter alia*, a coordinated bank rescue, a joint fiscal stimulus package, new legislation on financial regulation and economic surveillance and the creation of ad-hoc and permanent crisis resolution mechanisms. For all this policy activism, this paper finds little evidence that the Barroso Commission used its right of initiative or mobilised information or ideas to further integration following the global financial crisis. This lack of entrepreneurship is explained with reference to both structure and agency. In the case of the former, the Commission acted strategically by steering clear of integrationist initiatives that were opposed by member states. As regards the latter, Jose Manuel Barroso's defence of fiscal conservatism and light-touch financial regulation over further integration fits with the centre-right orientation of his administration.

The remainder of this paper is divided into three sections. The first section considers different definitions of supranational entrepreneurship and, on this basis, evaluates the degree of entrepreneurship displayed by the Commission during the period 2007–2011. The second seeks to explain the Commission's cautious response to the global financial crisis with reference to the role of structure and agency. The final section considers the wider implications of these findings and considers whether the Commission could yet emerge as an entrepreneur in response to the crisis.

Evaluating Commission Entrepreneurship Following the Crisis

Traditional theories of supranational entrepreneurship can be traced in spirit, if not in name, to Haas (1964, 153). Here Haas highlighted the Commission's tendency to upgrade the common interest——i.e., seek additional powers for itself at the expense of member states——in negotiations over shared policy problems. While Haas (1964) saw the Commission's right of initiative as the supreme instrument of supranational entrepreneurship, contemporary scholars tend to focus on informal agenda setting,

with the latter involving the mobilisation of information and ideas in support of further integration rather than specific legislative proposals (Pollock 1997; Moravcsik 1999). Taking these definitions as its point of departure, this section evaluates the extent to which the Commission sought to 'upgrade the common interest' and/or engage in informal agenda setting in relation to EU economic policy from mid 2007 to the end of 2011. Following Musgrave (1959), this investigation focuses on the classic functions of economic policy: regulation, stabilisation, allocation and redistribution.

Regulation

The Commission's regulatory response to the financial crisis was cautious at first. It was not until the banking turmoil took hold in Autumn 2008 that the EU executive tabled a revised directive on deposit insurance and a new regulation on credit rating agencies. The remainder of Jose' Manuel Barroso's first term saw new proposals on the regulation of hedge funds and capital requirements and the reform of EU financial supervision. Barroso's second term, which began in February 2010, saw a surge in regulatory reforms with the Commission adopting 20 proposals for new or revised regulation by the end of 2011, including a further tightening of the rules on deposit insurance, credit rating agencies, hedge funds and capital requirements along with proposals for new and revised legislation on over-the-counter derivatives, short-selling, market abuse and accounting standards.

The Commission's willingness to use its right of initiative in this context chimes with Haas (1964), but it is questionable whether such proposals seek to empower the Commission at the expense of governments. A case in point is the proposal on the European Systemic Risk Board (ESRB), with the Commission seeking a place on the new body's General Board but leaving it to the European Central Bank (ECB) and the 27 governors of the national central banks of EU member states to choose a chair from their ranks. Nor did the Commission seek binding powers for this new body. National authorities are under no legal obligation to follow ESRB recommendations with non-compliers required only to give reasons for their decision under a so-called 'ask and explain' mechanism.

Turning to informal conceptions of entrepreneurship, the Commission was also cautious about mobilising information and ideas in favour of financial re-regulation during the period in question. Whereas French President Nicolas Sarkozy waited just six days after worldwide liquidity shortages came to light in August 2007 before publicly calling for greater financial transparency, stronger financial supervision and a reevaluation of the role of credit rating agencies (Gauthier-Villars 2007), Jose' Manuel Barroso waited until January 2008 before making substantive public remarks about the regulatory implications of the crisis. Even then, Barroso sounded a conservative rather than radical note, urging EU leaders to steer clear of 'futile attempts to stem financial globalisation' at a meeting of EU G8 members in London (Commission. 2008a). The Commission President stuck to this line even after the turbulent events of Autumn 2008, warning against 'grand initiatives that have no chance of being followed through' (Barroso 2008).

If the Commission showed any ideational leadership at this time it was in relation to EU financial supervision. Significant in this respect was Barroso's decision in November 2008 to invite Jacques de Larosiere to lead a high-level group on EU

financial supervision. Although the group's recommendations were not implemented in full—EU finance ministers, for example, diluted attempts to give the new supervisory agencies binding powers of dispute resolution in the event of disagreement between national authorities—they nonetheless served as a blueprint for the legislative package proposed by the Commission in September 2009 and adopted by the Council of Ministers and the European Parliament in November 2010.

In spite of this reform and others, financial regulation was by no means championed in the Commission's post-crisis vision. In his 2010 State of the Union address, for example, Barroso (2010) acknowledged the necessity of 'proper regulation and proper supervision' while insisting on the importance of 'a strong and sound financial sector ... that serves the real economy'. More tangible evidence of the Commission's reticence regarding financial re-regulation can be found in the Single Market Act. This package of twelve proposals for 'new, greener and more inclusive growth' in the light of the crisis launched in July 2011 called for common rules on venture-capital funds but otherwise made no reference to financial market policies (Commission 2011a).

Stabilisation

When it came to economic stabilisation, the Commission was willing to propose new legislation over the period 2007–2011 in only some instances. The Commission's most decisive step in this regard was the so-called 'six-pack', a set of six legislative proposals presented in September 2010 with a view to reinforcing EMU's fiscal rules and widening the scope of economic surveillance. Also important in this regard was the so-called 'two-pack', a set of proposals put forward in November 2011 calling for closer scrutiny of member states' draft budgets and more intrusive surveillance for euro area members facing financial instability. Significant though such proposals were, it is debatable whether they upgrade the Commission's power over economic stabilisation to any significant degree. The 'two-pack', for example, called for the Commission to be given the power to issue ex-ante opinions on member states' future budgetary plans, while leaving the final say over such plans in the hands of national governments and parliaments.

Of the many ideas inspired by the euro area's sovereign debt difficulties, Eurobonds are perhaps the most integrationist, involving as they would the joint issuance and/or guarantee of national government debt. The Commission, for its part, was a late convert to this particular cause and even then a somewhat reluctant one. When asked about Eurobonds in an appearance before the European Parliament in December 2009, José Manuel Barroso said only that such an idea was not being proposed at the present juncture (European Parliament 2009). Commissioner for Economic and Monetary Affairs Olli Rehn took a small step further in December 2010, describing Eurobonds as 'intellectually attractive'. By September 2011, the Commission's thinking on this issue had shifted but not radically so, with José Manuel Barroso telling MEPs that the Commission would present 'options for the introduction of Eurobonds' (Barroso 2011). The Commission seemed in no hurry to put forward legislative proposals here, waiting a further two months before launching a Green Paper on Eurobonds (Commission 2011d).

When it came to informal agenda setting, the Commission can legitimately claim to have mobilised ideas and information in support of the proposed macroeconomic imbalance procedure. A widely cited Commission study published in November 2006 warned that ‘marked and protracted divergences in growth and inflation among euro-area members, accompanied by sizeable shifts in real effective exchange rates and current account imbalances’ (Commission 2006: 12). The Commission returned to this theme in a high-profile report on the first decade of the euro, which emphasised the need ‘to broaden surveillance to address macroeconomic imbalances’ (Commission 2008b, 8).

Ideational leadership with respect to the fiscal consequences of the crisis is more difficult to discern. The Commission’s initial response to the turbulent events of mid 2007 was to defend the status quo rather than seek a supranational approach to stabilisation. In February 2008, José Manuel Barroso called not as International Monetary Fund (IMF) Managing Director Dominique Strauss Kahn had done a month earlier for ‘a new fiscal policy’ (Giles and Tett 2008) but for fiscal discipline and compliance with the stability and growth pact (Barber 2008). By December 2008, the Commission had come round to the idea of a modest fiscal stimulus package, putting forward a European Economic Recovery Programme that called on ‘Member states and the EU to agree to an immediate budgetary impulse amounting to e200 billion (1.5 per cent of GDP; European Commission 2008c). By April 2010, Rehn (2010) was calling not only for compliance with the stability and growth pact but also a tightening of EMU’s fiscal rules. The Commission was hardly ahead of the curve in doing so, EU heads of state and government having agreed in March to convene a taskforce led by European Council President Hermann Van Rompuy to explore ‘all options to reinforce the legal framework’ concerning crisis resolution and budgetary discipline (European Council 2010a).

Allocation

Moving from stabilisation to allocation finds the Commission more circumspect still about the need for further integration following the global financial crisis. In presenting its first round of proposals on the Multi-Annual Financial Framework for 2014–2020, the EU executive showed little appetite for budget maximisation, evoking the need for ‘smart sustainable and inclusive’ growth in the wake of the crisis but calling for a 6.5 per cent cut in total payment appropriations over this period (Commission 2011b, 1). This show of austerity, it is true, was balanced by the Commission’s plans to devote more resources to public goods such as cohesion, although the inclusion of an additional e50 billion in funding for transport and energy infrastructure under this heading masked a e10 billion reduction in the amount allocated to the EU’s structural funds (House of Lords 2011). Such cuts, it is true, were accompanied by a proposed e18 billion increase in off-budget expenditure on allocative instruments such as the Solidarity Fund and the Globalisation Adjustment Fund but this increase amounted to only around 2 per cent of total commitments over this period (House of Lords 2011). These increases can also be viewed as a concession to the European Parliament, which emerged as the ‘supranational entrepreneur’ par excellence here, calling for a 5 per cent increase in EU expenditure compared to 2007 levels and insisting that ‘the solution to the crisis [was] more and not less Europe’ (European Parliament 2011).

The EU executive was less entrepreneurial still when it came to the creation of ad-hoc instruments of allocation to provide emergency loans to euro area members in the

context of the financial crisis. By the beginning of 2010 it was clear that Greece was in need of external assistance to avoid a disorderly default on its government debt but the Commission remained reluctant to be drawn on what role the EU should play in providing such support. Speaking at the European Parliament in February 2010, the outgoing Commissioner for Economic and Monetary Affairs, Joaquín Almunia, hinted only that treaty instruments were available for this purpose but refused to be drawn on what such instruments were (European Parliament 2010b). In the end, the treaty was not invoked for Greece, with member states finally agreeing in May 2010 to pledge EUR 80 billion in bilateral loans.

The Commission played a more prominent but by no means proactive role in efforts to create an ad-hoc financial firewall for euro area members, putting forward a proposal in May 2010 on the creation of a new €60 billion European Financial Stabilisation Mechanism (EFSM). In so doing, the EU sought emergency powers under Article 122 TFEU to propose the provision of loans and guarantees to a euro area member, to borrow funds for this purpose and to disburse this funding to the country in question subject to a rigorous review of its economic policy. EU finance ministers signed off on this proposal but they kept the Commission at arms length from a new EUR 440 billion fund created at the same time. Whereas the EU executive was given responsibility for raising funds for the EFSM, the larger fund was entrusted to a newly-created European Financial Stability Facility (ESFS), a public-limited company registered in Luxembourg and overseen by representatives of the member states.

The EFSM and EFSF were envisaged as ad-hoc financial instruments, with EU finance ministers agreeing in May 2010 to take forward plans for ‘establishing a permanent crisis resolution framework’ (Council 2010). A communication adopted by the Commission (2010a) shortly afterwards promised ‘in the medium-to-long term to make a proposal for a permanent crisis resolution mechanism’ but no such proposals were forthcoming by the time the European Council agreed in December 2010 to revise Article 136 TFEU with a view to the creation of a new, intergovernmental European Stability Mechanism (ESM). The resulting agreement saw member states claw back the new allocative competences ceded to the Commission in May 2010, with the heads of state and government agreeing that the EFSM would be wound down and that Article 122 TFEU would henceforth no longer be used ‘to safeguard the financial stability of the euro area as a whole’ (European Council 2010b).

Redistribution

Of all the legislative proposals launched by the Commission in response to the global financial crisis during the period 2007–2011, the financial transactions tax is the most clear-cut attempt to upgrade the common interest. Under a proposal presented in September 2011, financial transactions involving at least one institution located in the EU would be subject to a levy of 0.1 per cent on the exchange of shares and bonds and 0.01 per cent on the exchange of derivatives (Commission 2011c). Revenues raised from these levies, estimated to be in the region of EUR 57 billion would be divided between member states and the EU, with the latter contribution becoming a new ‘own resource’ for the Community offset by a reduction in national contributions.

The idea that the Commission showed ideational leadership over the EU financial transaction tax is more difficult to defend. Although José Manuel Barroso was an early supporter of plans for an international financial transactions tax, his position in September 2009 was that such a scheme would be workable only in the context of a global agreement that did not harm European competitiveness.¹ It was not until April 2010 that the Commission presented a preliminary set of ideas for a financial transactions tax at EU level (Commission 2010b). The European Parliament was, once again, more entrepreneurial on this issue, adopting a resolution on financial transactions taxes in March 2010, which called on the Commission to consider the pros and cons of such an arrangement at the EU level (European Parliament 2010a).

Explaining Commission Entrepreneurship Following the Crisis

In summary, then, the preceding section found limited evidence of Commission entrepreneurship following the global financial crisis during the period 2007–2011. The EU executive, it is true, showed itself willing to initiate new legislation on financial regulation, economic surveillance and ad-hoc crisis resolution and to propose a new financial transactions tax but only the last of these measures can be understood as a clear-cut attempt to upgrade the common interest. The Commission was, moreover, reluctant to play its hand on some reforms, with legislative proposals on a permanent crisis resolution mechanism and Eurobonds not materialising during the period in question. The Commission was shown to be less proactive still when it came to mobilising ideas and information in support of further integration, with only José Manuel Barroso's timely decision to convene a high-level group on financial supervision and the EU executive's longstanding calls to step up the surveillance of macroeconomic imbalances coming close to informal agenda setting. On wider issues of financial regulation and in debates on the need for a coordinated fiscal stimulus package and an enlarged EU budget, in contrast, the Commission's preferences prioritised the status quo over the pursuit of further integration. This section seeks to explain this lack of supranational entrepreneurship beginning with structural factors before looking to the role of agency in the Barroso administration's response to the global financial crisis.

From a structural perspective, the conditions for supranational entrepreneurship were far from favourable following the global financial crisis. Of the conditions that Pollack (1997) sees as critical for Commission influence, only the support of significant non-governmental actors for further integration comes close to being fulfilled between 2007 and 2011. Financial markets emerged as key cheerleaders for further integration during this period, with the positive reaction to Barroso's remarks on Euro-bonds in November 2011 one of many such short-lived occurrences.² National governments, in contrast, were far from being uncertain about how to tackle the crisis, with German Finance Minister Wolfgang Schäuble's (2010) controversial but clear-sighted plans for a European Monetary Fund in March 2010 a case in point. Nor were member states in any great rush to tackle the crisis, with the long months of negotiation before EU leaders signed off in May 2010 on a financial rescue package for Greece far from being an isolated case. That the distributional consequences of decision-making in this domain were significant also made supranational entrepreneurship more difficult, according to Pollack's approach. Of significance here were member states' differing degrees of exposure to Greek debt. As of the end of 2011, claims by French banks on Greek debt were estimated at USD 39 billion, as

compared with figures of USD 33 billion and USD 2 billion for German and Italian banks respectively (Bank for International Settlements 2012).

A similar conclusion emerges in relation to Moravcsik's (1999) theory of supranational entrepreneurship. The emergence of a seemingly broad coalition of support for an international financial transactions tax is the clearest candidate for the empowerment of a latent or peripheral interest group following the financial crisis. According to polls conducted on behalf of the European Parliament, support for such a tax rose from 47 per cent in 2009 to 64 percent in 2010 (Public Opinion Monitoring Unit 2009, 2011). Pressure groups were quick to mobilise around this issue, as evidenced by the launch in March 2010 of the Robin Hood Tax Coalition, a UK based network of over 100 charities, religious organisations and civil society groups.³ National governments moved quicker still, with UK Prime Minister Gordon Brown proposing an international financial transactions tax at a meeting of G20 finance ministers in St Andrews in November 2009. If aggregation failures were at work here they did not favour the Commission, which waited until April 2010 to present preliminary policy proposals on an EU financial transactions tax (Commission 2010b).

Although structural factors can account for the difficulties of successful supranational entrepreneurship following the crisis can they explain the Commission's reluctance to push for further integration in the first place? Moravcsik's account of supranational entrepreneurship, it should be recalled, is littered with examples of the Commission trying but failing to influence negotiations but he identifies no case in which the Commission fails to try. One explanation of this puzzle is to see the Commission as a strategic entrepreneur that supports integrationist initiatives only where they stand a chance of success. Strategy of this sort could have a number of motivations, including the Commission's need to preserve scarce bureaucratic resources and protect political credibility. Career advancement may also play a role here at the level of individuals, with members of the Commission requiring the support of national governments to secure reappointment.

Consistent with this idea of strategic entrepreneurship is the Commission's reticence over Eurobonds. Faced with a divergence of views between Nicolas Sarkozy and Angela Merkel on this issue (Hollinger et al. 2011) a Green Paper was arguably as far as the Commission could go without alienating one or other of the Franco-German couple. A similar story can be told about the EU financial transactions tax, with the Commission's September 2011 proposals coming after José Manuel Barroso had secured a second term and at a time when Franco-German support for such a proposal was only beginning to emerge.⁴ Strategic entrepreneurship may also explain the Commission's willingness to put forward proposals on relatively uncontroversial issues such as soft law approaches to macro-economic imbalances and financial supervision while steering clear of hard-sell issues such as a supranational permanent crisis resolution mechanism. As regards the latter, the Commission can have been in little doubt about the inevitability of an intergovernmental ESM given the limits imposed on the EFSM by member states. More problematic from this point of view is why the Commission did not chime in on those issues where political support for further integration was possible. Cases in point are Barroso's reluctance to support Sarkozy's calls for financial regulation, the Commission President's defence of fiscal discipline at a time of growing international support for a fiscal stimulus and the EU executive's reluctance to back calls by the European Parliament for a bigger budget.

Agency

From an agency perspective, these anomalies might be seen as the product of partisan preferences rather than strategy borne of structural constraints on supranational entrepreneurship. The Commission's fiscal conservatism during the early phase of the crisis provides one instance in which such agency was plausibly at play. Whereas the centrist Prodi Commission's support for the stability and growth pact was patchy—Prodi himself called for a flexible interpretation of the agreement in October 2002 (Howarth 2008)—the centre-right Barroso Commission made a concerted effort to restore compliance with EMU's fiscal rules after the controversial reforms of March 2005. In so doing, the Barroso Commission confounded expectations that it would turn a blind eye to excessive budget deficits, instead recommending corrective action against all member states (known to be) in breach of the pact. By mid 2008, this strategy appeared to have paid off with all euro area members adjudged to have budget deficits below 3 per cent of GDP for the first time since Prodi's disparaging remarks about the pact. Seen in these terms, it is hardly surprising that José Manuel Barroso's initial response was to defend the stability and growth pact rather than embrace a coordinated fiscal stimulus package, even if the latter had the potential to pave the way for the kind of ex-ante approach to EU fiscal policy coordination that economists of the centre-left had long sought (see Collignon 2003).

A similar argument can be made in relation to the Commission's planned cuts to EU expenditure over the period 2014–2020. Barroso had form here, having pushed through swinging expenditure cuts during a sharp economic slowdown during his time as centre-right Prime Minister of Portugal. Problematic from this perspective is why a Commission with centre-right preferences would also favour a new tax on financial transactions, although the Commission's September 2011 proposal, it should be recalled, proposed to offset the revenue raised from this tax with a reduction in national contributions to the EU budget (Commission 2011c).

That José Manuel Barroso was reluctant to champion the re-regulation of financial markets following the financial crisis is also consistent with the centre-right preferences of his administration. More puzzling here is how these preferences can be reconciled with the Commission's regulatory activism in this domain, especially in Barroso's second term. One explanation of this puzzle is that such activism had more to do with the preferences of the Commissioner for the Internal Market and Services than the Commission President, with the decision to give this portfolio to Michel Barnier in February 2010 paving the way for a more pro-regulation approach. Precisely how pro-regulation Barnier is is unclear but he is most certainly to the left of his predecessor, Charlie McCreevy, who came to the defence of hedge funds in the early days of the financial crisis and showed little sign of changing his views as the crisis worsened (McCreevy 2007; McCreevy 2009).

For his part, José Manuel Barroso has appeared less than comfortable with Barnier's appointment, with the Commission President threatening in November 2011 to decouple the internal market and financial services portfolio to assuage UK concerns over undue French influence in this domain (Taylor and Rankin 2009). A similar offer is said to have emerged after the European Council in December 2011, with Barroso offering to 'promote' Barnier to the post of High Representative of the Union for

Foreign Affairs and Security Policy in return for UK support for the Fiscal Compact (Barker and Parker 2012). Neither threat was carried out, however, leaving Barnier to put forward legislative proposals for financial market reforms at a rate of just under one per month between February 2010 and December 2011 as compared to a rate of just over one every four months under Charlie McCreevy between August 2007 and February 2010.

Conclusion

In conclusion, this paper has sought to evaluate and explain the degree of supranational entrepreneurship shown by the Commission following the global financial crisis. Focusing on the period between the beginning of the crisis in 2007 and the end of 2011, it found little evidence that the EU executive sought to increase its power at the expense of member states either by using its right of initiative or mobilising information and ideas in support of further integration. Structural factors partly explain this lack of entrepreneurship insofar as the Commission was reluctant to endorse integrationist initiatives that stood little immediate chance of success. The EU executive's reluctance to play its hand over Eurobonds and a more supra-national ESM are illustrative in this regard. Strategic entrepreneurship of this sort cannot, however, explain the Commission's defence of the status quo against calls for a coordinated fiscal stimulus package, financial regulation and a bigger EU budget. This conservatism, it was argued, is consistent with the Barroso Commission's centre-right preferences, with fiscal discipline and light-touch financial regulation taking precedence over the pursuit of further integration.

The global financial crisis has yet to run its course at the time of writing and there is nothing to say that the Commission might not yet emerge as a supranational entrepreneur if structural conditions allow and/or political priorities are reordered. Indeed, the intensification of the euro area sovereign debt crisis in mid 2012 suggests that such a shift might already be underway, with José Manuel Barroso (2012) talking openly about the possibility of fiscal union and euro area leaders agreeing to take forward plans for a banking union (Euro Area Heads of State and Government 2012). Precisely where such ideas will lead is not yet known but the fact remains that the Commission's response to the crisis between 2007–2011 was much less integration-minded than might have been expected.

For students of the Commission, the analysis presented in this paper calls for a reconsideration of what it means for the EU executive to lead. For too long, scholars have decried the Commission as being in decline because of the failure of successive presidents to emulate the (perceived) success of Monnet or Delors in driving forward the integration process. It would be wrong to do so in relation to José Manuel Barroso, whose reluctance to embrace integrationist initiatives after the global financial crisis owed as much to political choices as political constraints. Whether these choices were right for the ailing EU economy is a discussion for another day but the fact that a leader of the EU executive had objectives other than the steady accumulation of powers at the supranational level is a mark surely of political maturity rather than powerlessness.

For students of supranational entrepreneurship, finally, this paper's findings call for further reflection on how supranational actors form their preferences. Great progress has been made over the last two decades in understanding how national governments come to a view on the desirability or otherwise of closer cooperation with EU partners. Yet scholars routinely treat the preferences of the Commission and other

supranational actors as a black box. Recent research suggests that the Commission may not be alone among EU institutions in having policy priorities other than the pursuit of ever-closer union (see Hodson 2011, chapter 2; Brack and Costa 2012), with the implication being that the traditional engines of European integration run on different fuel these days than was once thought to be the case.

Notes

1. 'EU divided on German "Tobin" tax proposal', Agence France Presse, 17 September 2009.
2. 'European shares bounce back on euro bonds hopes', Reuters, 14 September 2011.
3. <http://robinhoodtax.org/>.
4. 'Germany says transaction tax would be EU-wide', Reuters, 17 August 2011.

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