

The Barroso Drama

Kroes At All Cost

To the Roots of the Dutch Presidency's Failure

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Dutch debate on choice of candidate for European Commission. Criticism EP on Neelie Kroes's candidacy. Dutch incapacity to find a solution. National inter-party struggles and impact on European affairs.

INTRODUCTION

The Netherlands EU Council Presidency 2004 was confronted with an institutional 'terra nova'. A largely inexperienced European Parliament was settling in after the June 2004 elections. The European Commission was due to end its term midway during the Presidency. The Council itself had only recently welcomed representatives of ten new member states, which made the Dutch Presidency the first to deal with negotiations of the EU-25 during its full term.

Domestically, the stakes were also high for Prime Minister Jan Peter Balkenende (Christian Democrat *CDA*). His successive coalition governments have been portrayed as rather unsure about a national strategy towards the European Union (EU). The discomfort had already started in the early 1990s – the Maastricht Treaty in particular constituted a rude awakening to European realities. This was the start of a steady polarisation of domestic opinions regarding sensitive policy fields such as justice and home affairs. There also was rising concern about the Dutch 'net position' towards the EU budget. These concerns are mirrored in opinion poll ratings, showing a slow but steady decrease from the once consistently high EU membership approval rates.¹

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¹ In the course of 2003, the percentage of Dutch citizens thinking EU membership is 'a good thing' decreased from 73 to 64%, while the number of people who think that the Netherlands profits from membership has fallen from 65 to 55% (source: Eurobarometer survey 2004).

European Constitutional Law Review, 1: 211–216, 2005

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DOI: 10.1017/S1574019605002117

In this respect, the eleventh Dutch Council Presidency could have come at the right time. The need to develop a pro-active and strategic view of the EU and its evolution and to assume a responsible leadership role within the international context might provide the necessary impetus for renewing the Dutch position towards Europe.² Would it work out to this effect?

THE COMMISSION CANDIDATURE

In the run-up to the Dutch EU Presidency, heads of state and government of the EU-25 managed to settle two particularly sensitive issues. Firstly, the new Constitutional Treaty was agreed upon during a European Council meeting in mid-June. Secondly, José Manuel Durão Barroso was nominated as Commission President. The incoming Dutch greeted these decisions, hailed as a triumph for the Irish Presidency, with much relief. The 'rolling agenda' for the Dutch was considered challenging in its own right. Towering over everything else there was the contentious decision on opening accession negotiations with Turkey, scheduled for the December European Council meeting under Dutch chairmanship. It demanded full attention both on the Dutch home front and in Union politics.³ On top of this, PM Balkenende spent some four weeks in hospital halfway the Dutch presidency with a serious foot infection, only to recover at the end of October.

When, on 22 July 2004, the European Parliament's plenary accepted Barroso's candidature, the member state governments were busy behind the scenes negotiating preferred portfolios. Since large member states would lose a second Commissioner, London, Berlin and Paris were pushing to secure important and influential posts. At the end of July, the rumour was that the heavy portfolio of Agriculture was likely to go to the Dutch Minister of Agriculture, Cees Veerman – who apparently had won the admiration of Jacques Chirac.⁴

These rumours notwithstanding, the Netherlands became the last member state to advance a nominee candidate for the Commission-Barroso. By waiting until the very last moment, the Netherlands came under the heaviest pressure to propose a female candidate and complete the desired number of eight women in Barroso's team. Not surprisingly, as soon as Neelie Kroes's candidature was out, a

² M. van Keulen and M. Sie Dhian Ho, *The Dutch at the Helm: Navigating on a rough Sea. The Netherlands, the EU and the 2004 Council Presidency* (Paris, Notre Europe 2004).

³ As the editorial to this issue of *EuConst* points out, it took the Dutch government five out of the available six months merely to get its *domestic* mandate for the decision to start negotiations leading to Turkey's membership.

⁴ Source: *EU Observer*, 27 July 2004. Because of the outspoken reform agenda of the Dutch government as regards the Common Agricultural Policy, this portfolio was later declared unlikely to be given to a Dutch candidate.

Foreign Ministry spokesman stressed how delaying had been a deliberate negotiation tactic. In his regular contacts with the Commission President-elect, Prime Minister Balkenende was said to have demanded a heavy economic post in return for delivering a female candidate.⁵ A more convincing and less complimentary explanation for the delay is provided by the usual party-political struggle surrounding international candidacies in The Hague.

In the Netherlands, top postings are carefully distributed in a secretive negotiation process between the government coalition parties. One Social Democrat (*PvdA*, opposition) candidate, former State Secretary and EUI economist Rick van der Ploeg, never stood a chance. With two international positions recently awarded to Christian-Democrats (Jaap de Hoop Scheffer as Secretary-General of NATO and Ruud Lubbers as UN Refugee Commissioner), the liberal coalition party (*VVD*) could insist on a Commissioner from its own ranks.⁶ Liberal party leader and deputy Prime Minister Gerrit Zalm pressured Balkenende to put up Neelie Kroes, the candidate above all supported by his party group in Parliament. Zalm argued also that pushing a Christian-Democratic candidate again might increase tensions within the coalition over future EU-policies and feed Euro-scepticism within the *VVD*. For the Christian-Democrat party, traditionally pro-European, this created a difficult situation. Balkenende's decision to give in to the liberal pressures and to sacrifice the *CDA* candidate (World-Bank finance expert Onno Ruding) created considerable parliamentary controversy. It was openly suggested that these embarrassing party-political hassles would damage the government's striving for an important portfolio at the EU-level.⁷

Seen in this light, the granting of the Competition portfolio to Neelie Kroes was a surprise to many, both at home and in Brussels.⁸ Domestic political and press reactions were downright jubilant and Balkenende and Bot were widely congratulated.⁹ Even the *PvdA* readily acknowledged that 'huge compliments' were appropriate – although the smallest coalition party (social-liberal *D66*) expressed disappointment about the secretive character of the political nomination.

⁵ The *Financial Times*, 5 Aug. 2004, wrote how Balkenende returned earlier from his holidays in order to 'gently remind Barroso that the Netherlands deserve a big job, as a founding member of the EU and the biggest net contributor to its coffers'.

⁶ The *VVD* had also delivered the Dutch Commissioner in Prodi's team, Frits Bolkestein, who had withdrawn his candidature, rather unexpectedly to some.

⁷ Second Chamber, 2003-4, questions to the Foreign Minister, No. 1983.

⁸ 'In a series of surprising moves, Barroso gave the powerful job of competition and antitrust to Kroes', *International Herald Tribune*, 13 Aug. 2004.

⁹ Quote liberal leader Jozias van Aartsen: 'a dream portfolio for a dream candidate', *De Telegraaf*, 13 Aug. 2004.

THE BARROSO-CRISIS UNFOLDS

Upon her nomination, the Dutch press had already questioned Kroes's impartiality because of her strong links with the private transport and building sectors. At the EU-level, it was not until mid-September that first reports came out as to how these business interests could interfere with future EU competition policy.¹⁰ This issue became central to the hearings before the European parliamentary committee, where Neelie Kroes failed to make a strong impression upon those present.¹¹ However, public attention soon focused exclusively on Rocco Buttiglione. During the hearings, the Italian candidate created outrage with his statements on homosexuality, women and refugees, triggered by insistent questions from, *inter alia*, Dutch MEP Kathalijne Buitenweg.

In the face of the probable parliament's rejection, Barroso decided to withdraw his line-up in the 27 October 2004 plenary session. When the next day Queen Beatrix addressed the plenary, her Presidency speech was largely drowned out by manoeuvring in the corridors over several Commissioners-designate. Next to László Kovács, Ingrida Udre and Marianne Fischer Boel, Neelie Kroes was indicated as the most likely victim to fall with Buttiglione.¹² In the preceding weeks, national governments had actively lobbied their countries' MEPs, which reportedly affected the positioning of, *inter alia*, Neelie Kroes.¹³ The Dutch Greens and Socialists indicated that they would have opposed the Commission had a vote been cast. The Christian Democrat and Liberal delegations favoured the proposed line-up, arguing that 'this Commission should simply get to work'.¹⁴

The Dutch government's performance as Council President triggered some rather critical remarks by EU-insiders. They focused, firstly, on the physical absence of the Presidency both at the start of the plenary debates and in the corridors during informal discussions about the proceedings.¹⁵ After Barroso's withdrawal of his team, on 27 October 2004, state secretary for European affairs Atzo Nicolaï declared from the Council's seating-box that the Presidency 'understood the situation' and 'hoped that the unfortunate situation could be resolved as soon as possible within the current team',¹⁶ a remark treated to hilarity in the plenary.

¹⁰ *Financial Times*, 16 Sept. 2004 reported that Ms Kroes was drawing up a code of conduct to determine how to deal with possible conflicts of interest.

¹¹ 'Those who attended the hearing were (...) depressed by her faulty grasp of seemingly important questions and her dogmatism' (p. 10), making 'her parliamentary critics (...) the loudest and most obvious' (p. 18), P. Ludlow, *The Barroso Commission, A Tale of Lost Innocence* (Brussels, Eurocomment 2004).

¹² *El País*, Commentary, 28 Oct. 2004.

¹³ Commentary, *ABC*, 26 Oct. 2004.

¹⁴ Quote Manders, *Financieele Dagblad*, 26 Oct. 2004.

¹⁵ Source: 'De Puinhopen van Balkenende', *HP De Tijd*, 4 Nov. 2004.

¹⁶ Y. Albrecht en P. Vermaas: 'Falend Voorzitterschap', *Vrij Nederland*, 4 Nov. 2004.

Secondly, it was argued that the Presidency could have done more behind the scenes to mediate between parliamentarians and Barroso. ELDR-leader Graham Watson remarked how the Council had been 'remarkably absent'. Dutch liberal MEP Jules Maaten accused The Hague of having demonstrated a lack of leadership.¹⁷

Not surprisingly, The Hague was keen to explain its low profile as a deliberate move of the supposedly neutral Council Presidency, unwilling to intervene in what it described as 'intra-institutional matters'. Whatever the justification of this view (and it is at least contentious), it was certainly not consistently followed. Roughly at the same time when deputy-Prime Minister Zalm (acting for hospitalised Jan Peter Balkenende) declared that the Dutch Council Presidency would not express itself on the crisis, Foreign Minister Bot (a Christian Democrat), on a state visit to Indonesia, announced that he saw Buttiglione as a 'good candidate'.¹⁸ No surprise that the leader of the Dutch socialists in the European Parliament, Max van den Berg, considered it a downright failure of the Presidency to have backed 'the wrong candidates for so long'.¹⁹

Barroso's decision to withdraw his first team triggered a wave of speculation about the promised reshuffle of Commissioners and portfolios. The Presidency first proposed an emergency European Council meeting in Rome. When this initiative failed, it announced to broker informal talks between the EU's heads of state and government. These were to meet in Rome anyway on 29 October 2004 for the Constitutional Treaty's signature.²⁰ In view of the fact that Berlusconi had indicated that he would be prepared to sacrifice his candidate, only if others would repeat that gesture, Barroso applied full pressure on the weakest spot in the proposed line-up: Ms Kroes and her protectors in The Hague. He came close to success but, during an acrimonious dinner at the Dutch ambassador's residency in Rome, the Council President refused to give in, leaving Barroso empty-handed. No need to explain why the Dutch presidency failed to play a leading role, during discussions the next day, in forcing Berlusconi to drop his luckless champion alone.

Balkenende was stuck between a rock and a hard place. Kroes's candidature was strongly supported by the liberal democrat group in the EP and also 'at home'; the VVD remained adamant to keep up Kroes's candidature. Ludlow suggests that Barroso refrained from pressing The Hague because of threats from his liberal coalition partners to leave government if the Prime Minister countenanced Kroes's dismissal.²¹ However, it seems more plausible that it was Balkenende himself who

¹⁷ Ibid.

¹⁸ Bot argued that sufficient measures were taken to prevent Buttiglione's personal opinions to affect EU policies. Source: interview with *De Volkskrant*, 27 Oct. 2004.

¹⁹ Quote *ANP*, 27 Oct. 2004.

²⁰ AFP 27 Oct. 2004, *Rejet d'une proposition de sommet européen de crise à Rome*.

²¹ See *supra* n. 11, p. 18.

gave in to his coalition partners. *Le Monde* quoted a French MEP who stated that by refusing each change, the Dutch Presidency, always eager to accuse France and Germany, had now disqualified itself.²²

When, on 5 November, the media announced that Barroso had his team cleared, Balkenende spoke of 'a fine day for the Netherlands'. But although domestic media credited the strong position of the Dutch government,²³ it is highly questionable whether there has indeed been any active mediation by the Dutch government throughout the crisis. The picture emerging from a reconstruction of these hectic days in and between The Hague, Brussels and Strasbourg is one of stubborn reluctance by The Hague to assist Barroso in finding a way out of the crisis. Because of domestic political deadlock, Balkenende could not help but to risk damaging relations with his EU counterparts and to fail his European leadership role.

TO CONCLUDE

The Netherlands has played its central role in the turbulent episode of the Commission-Barroso's nomination unwillingly and without success. Inter-party struggles between the largest government party, CDA, and its 'euro-critical' liberal coalition partner explain the government's putting up controversial Neelie Kroes for Commissioner. In the subsequent political crisis, the EU Presidency was largely absent. The formal reason was that it wished to stay out of an 'inter-institutional power struggle' between Commission and Parliament – in fact, it was immobilised by Kroes's supporters in the Hague Parliament.

Did the Netherlands' Presidency then, finally, contribute to the much-needed redefinition of the role and position of this 'founding father' in the new, enlarged European Union? It is too soon to tell for the long run, but for the present, the handling by The Hague of the Barroso-drama provides no evidence for this claim. The next opportunity is at hand, however: the Dutch referendum on the Constitutional Treaty, due 1 June 2005.



²² French M.E.P. Bourlanges, as quoted in *Le Monde*, 6 Nov. 2005. Martin Schulz was quoted here as commenting: 'By keeping Mrs. Kroes in office, Barroso will walk with a stone in his shoe during the term of his mandate'.

²³ *Financieele Dagblad*, 5 Nov. 2004.