EUROPE NEEDS BETTER GOVERNANCE, NOT A NEW CONSTITUTION

JIM CLOOS
TEPSA

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There is a persistent temptation in Brussels to look for an institutional solution to every political problem. If the European Union (EU) is not delivering, the argument goes, it must be because its institutions are inadequate. Reform the institutions and the problems will disappear. Unfortunately, things are not so simple.

I was reminded of this when reading a recent paper by three distinguished economists, Marco Buti, Ivo Maes and André Sapir, entitled "What Institutional Reforms to Tackle Europe's Economic Challenges?."

The authors offer convincing evidence of the shortcomings of Europe's economic governance. The asymmetry between monetary and economic integration remains a fundamental weakness. Fiscal surveillance needs to be more effective, and the relationship between the EU institutions and the European Stability Mechanism merits a fresh look. But they make a remarkable leap: delivering Europe's economic ambitions, they argue, requires a framework of "pragmatic federalism", for which they propose five institutional reforms affecting the European Council, Commission and Parliament.

There seems to be a confusion between governance and institutional reform. Governance is about how we use the system, make decisions, and implement them. Institutional reform is about changing the system itself. The two are obviously related, but they are not the same. And confusing them can lead to the wrong remedies. The problems they want solved call primarily for better policies, instruments, and procedures, not another elaborate institutional construction. In my view, "pragmatic federalism" means federalising (or rather mutualising) policies and instruments where necessary, not federalising institutions.

Of course, institutional reform has played an essential role in European integration. The successive treaty reforms from the Single European Act to the Lisbon Treaty allowed for the creation of the Single Market, the Economic and Monetary Union, European citizenship, and the strengthening of the European Parliament. But we have reached something of an institutional plateau. The political investment required for another fundamental overhaul would be enormous, while the benefits are far from certain.

The authors regard the functioning of the European Council as an obstacle to effective European governance. They suggest that the European Council has progressively taken over executive power, especially during crises, at the expense of the Commission. But the European Council cannot and does not exercise the executive functions assigned to other institutions. Its role is to define the Union's political direction and priorities and to frame the work of the other institutions in that way. The fact that it has become more politically prominent, particularly during crises, does not mean that it has usurped the Commission's functions.

The legitimacy of the European Council lies in its composition: it brings together the highest political authorities of the Member States, and the President of the Commission. Its dual nature is equally important. It is both an EU institution and a gathering of national leaders who can act, when necessary, beyond the Union's formal competences. This gives it a unique capacity to mobilise a broad range of responses in times of crisis. The great paradox, which institutional federalists too often overlook, is that the European Council has repeatedly provided the political consensus without which major advances in supranational integration would never have happened.

The most striking proposal in the paper is to merge the presidencies of the European

Council and the European Commission into a a single "President of the EU". The authors argue that this would eliminate institutional rivalries, streamline decision-making, and strengthen democratic accountability. They also suggest that this can happen without treaty change. I am sceptical of the legal argument. Article 15(6) of the Treaty on European Union does not explicitly prohibit such a merger, but the Treaties establish distinct institutions with their own responsibilities, and they do so for a good reason. Besides, Article 17(3) safeguards the independence of the Commission. Reconciling that independence with a Commission President simultaneously chairing the European Council would raise serious constitutional questions.

But my main objection is political and institutional. There is a fundamental difference between participating in a negotiation and being responsible for bringing it to a successful conclusion. The chair of the European Council must seek compromises among national leaders. The President of the Commission must preserve the Commission's capacity to exercise independent judgement. Combining these responsibilities in one person would create an inherent conflict and would lead to the Commission becoming *de facto* a secretariat of the European Council.

There is also a broader political danger. The political environment has changed dramatically. Forces openly hostile to European integration are gaining ground in Member States. They portray Brussels as a threat to national sovereignty and promise to restore power to the nation-state. In these circumstances, launching a grand federalist project would be a gift to them. It would provide precisely the ammunition they need to mobilise opposition to the EU. A single "President of the EU" would not only become a lightning rod for public discontent, but the title itself would create misleading expectations about what the Union can do. Far from clarifying accountability, the new position would create confusion and fuel the very anti-European sentiment that threatens the Union. We should be extremely careful about creating symbols of statehood without the political and democratic foundations of a state.

The paper also calls for a European Economy Minister, who would simultaneously be Commission Vice-President and President of the Eurogroup. Experience with the High Representative for Foreign Affairs and Security Policy should at least make us sceptical of the virtues of institutional double-hatting. Combining offices does not eliminate conflicting interests, create political consensus, or produce effective leadership. The problems of euro-area governance are fundamentally political and economic. They will not disappear because we give two existing functions to the same person.

There seems to be an underlying assumption in the authors' approach that the institutions where the Member States are represented, i.e., the European Council and the Council of the EU, somehow bear the original sin of giving expression to national interests to the detriment of "the European interest." But the latter is not an abstract truth that can exist independently of national interests. It emerges through political negotiation, within the framework of the Union's institutions and bearing in mind the common objectives, values, and legal obligations. Of course, national governments can be short-sighted, and compromises can be inadequate. But replacing political negotiation with an allegedly superior European interest defined at the centre is neither realistic nor necessarily more democratic.

None of this is an argument for complacency. Europe faces immense economic and

geopolitical challenges. The EU needs a stronger capacity for collective action. It needs more effective economic coordination, stronger common instruments, greater investment capacity, and a Commission prepared to use its powers to the full. Treaty reform should not be excluded as a matter of principle. There may be circumstances in which specific institutional changes become necessary and politically feasible. But the immediate priority is to make the existing Union work better, not to embark on a constitutional adventure whose political consequences we cannot control.

Europe's institutional architecture is imperfect, but it reflects a fundamental political reality: its members want to act together without ceasing to be states. The EU is neither a state nor a conventional international organisation. It is a union of states and peoples, drawing its legitimacy from both national democracies and European institutions. Its hybrid character is not a temporary imperfection waiting to be corrected. It is the foundation that underpins European integration.

The challenge is to make that unique construction work better, not to replace it with an idealised model of statehood. The greatest danger today is not that Europe will fail to become a federal state. It is that, in pursuing that elusive objective, we may undermine the extraordinary degree of integration we have already achieved. The paradox is striking: an attempt to create a more federal Europe could end up dismantling the federal elements we already have. The road to hell is paved with good intentions.

All the opinions expressed in this publication are the sole view of the author, and do not represent the position of the Trans European Policy Studies Association (TEPSA) or of its Members.

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Jim Cloos is TEPSA Secretary-General and a former high-ranking European official of longstanding esteem. Having taken on a key role in drafting the Maastricht Treaty during the Luxembourgish Presidency of the Council of the European Union in 1991, Mr. Cloos has an intricate expertise on EU Affairs and the internal functioning of the European institutions. In the 1990s he served at the European Commission, first as Head of the Cabinet of the Commissioner for Agriculture, and subsequently as Head of Cabinet to the President of the European Commission and his G7/8 Sherpa. Mr. Cloos has been a close collaborator of High Representative Javier Solana in shaping the EU's Common Foreign and Security Policy. For many years he played a key role in preparing European Council meetings. Before his election as TEPSA Secretary-General, he served as Deputy Director General for General and Institutional Policy at the General Secretariat of the Council of the European Union.

