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Elections 2009: what role does global development policy play in the European Parliament?

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Briefing Paper

5/2009

'Elections 2009': What Role Does Global Development Policy Play in the European Parliament?

Among the EU institutions, the European Parliament (EP) tends to be notoriously underestimated. This is particularly true in the field of external relations, usually perceived as a prerogative of the executive. As seen from the past legislature (2004–2009) the EP showed, however, that there are several formal and informal mechanisms with which it influenced the European Union's agenda for global development, e.g. using this influence to keep Africa at the top of the list.

The context for such a role was certainly more favourable when the previous legislature took office in 2004, with high growth rates worldwide and expanding emerging powers. But the ability of the EP – and Europe as a whole – to adequately respond to challenges arising from global events has since been under severe strain. Besides the need to address the climate change agenda, the Millennium Develop-

ment Goals (MDG) – for which progress will be reviewed in 2010 – and humanitarian disasters as they arise, the financial and economic crisis has increased the urgency for a common European voice. If the EU aspires to be a global actor, it also needs to ensure its own internal coherence.

The European Parliament has an important role to play in international development. Although it is a politically diverse actor by nature, it remains, nevertheless, a key institution for democratic scrutiny and thus legitimacy of European policies including global policy – and it should aspire to this. By seeking a more strategic engagement – as opposed to micromanagement –, the EP has the potential to further increase its impact on and contribute to a European policy for global development.

The 2009 European Parliament (EP) elections take place on 4 June in the UK, Ireland, the Netherlands and Denmark, as these states traditionally go to the polls on a Thursday. All other member states vote on Sunday, 7 June. In Germany, 99 of the 736 Members of Parliament are elected to represent the German populace at the European level. If the major European political blocs remain rather general in their election manifestos on global development policy, a retrospective look at the EP's actions in this area might be useful. It can shed light on what role the EP plays and what can be expected in the next legislature to 2014.

The important role of the EP in European policy for global development

The EP is not a homogenous actor in European development policy. It also represents a wide range of political views and positions. MEPs represent a political line and a constituency and thus always have to balance global policy with domestic concerns, e.g. in agricultural policy impacting on global development. Yet, the EP acts as an entity, in particular in the legislative process where it has to face the Council of the European Union

Since its inception, the EP has been 'the rising star' of the EU institutions. It has gradually evolved to an almost full-fledged parliament. The EP wields a set of formal powers providing some legislative, budgetary, and supervisory/monitoring authority. And it has an important informal role to play in the complex policy-making

process of the EU including capabilities in communication and networking vis- $\hat{\alpha}$ -vis third parties (see Diagram 1).

Overall, the European Parliament has strengthened its voice in a number of areas, including foreign relations. Foreign policy is usually regarded as an executive prerogative. In the EU, member states have a strong position on international relations. However, external relations and global policies are not just about diplomacy, but also include addressing a variety of issues from economic and trade relations to environment, security and development issues. Relations to other parts of the world often consist of packages of various policies, e.g. association agreements. Thus, external relations of the European Community and the foreign policies of its individual member states have been drawn closer together. Therefore, these relations are increasingly being better coordinated and this should be the case. Trade policy is a communitarised policy area with a strong role for community institutions, and the need for Parliament's assent to international agreements for the entire EU. Development policy is a shared competence between EU member states and European institutions; the EP's role is limited to community activities funded via the EU budget, but relatively strong in this confined area. And the European Union's Common Foreign and Security Policy (CFSP) is mostly driven by its member states, with very limited say for the EP. The relationship to the African, Caribbean and Pacific (ACP) countries is a special case altogether, with a limited budgetary role of the European Parliament.

Diagram 1: The European Parliament's role and powers

Strongest in scrutiny...

- Assent to the European Commission President needed; EP can force the Commission to resign with an absolute majority of its members.
- Hearings of individual Commissioners before approving to the Commission; the EP has successfully rejected a Commissionerdesignate in the past (the Italian Rocco Buttiglione in 2004).
- The EP can call on the European Court of Justice if others organs (Commission or Council) do not comply with their duties or exceed their powers.
- Every incoming EU-Presidency presents its programme to Parliament and provides an assessment of its presidency at the end of its term.

Stronger than often perceived in legislation...

- often co-decision (with the Council), i.e. push for amendments, and possibility to stop policies.
 Politically strong MEPs can push an agenda through their role as rapporteurs on legislation.
- no rights of initiative for legislation; yet, right to call the Commission to initiate legislation in certain areas.
- play powers below co-decision: the EP can exercise pressure by playing on time in assent procedures.

European Parliament

Important in communication...

- The EP is the room for communication with European citizens and is informing policy-making.
- It has informal capacities in 'symbolic politics' and 'networking' with other actors also beyond the EU, e.g. through the Joint Parliamentary Assembly with ACP states or by relations to the Pan-African Parliament.
- And the EP has established itself as a moral authority within Europe and consequently for the perception of the European Union abroad.

Limited budgetary role...

- EP does negotiate and co-decide on the attribution of funds within the set framework.
- Yet, no rights to raise revenue; EP participates in discussions on funding, not least so midterm planning for the budget (financial perspectives).
- EP's powers are regionally limited, as Africa, the Caribbean, and the Pacific (ACP) are outside the Community framework; hence, decisions under the European Development Fund (EDF) do not require parliamentary approval. The EDF is beyond the EU budget; it finances cooperation with the states of Africa, the Caribbean and the Pacific (ACP).

The European Parliament has been particularly eager to actively participate in and lend its democratic credentials to the development strand of EU foreign relations. A step in the right direction was a joint statement on the European Consensus on Development, released in December 2005. The consensus is a framework document, outlining for the first time common visions and principles of European development policy applicable to all in the EU system: the Brussels institutions and member states. This is all the more significant as the European Parliament has co-decision powers in the area of development policy (Art. 179 TEC), putting it on an equal footing with the Council of the EU. When adopting regulations through co-decision, the EP actually asks the Commission to keep it informed about implementing initiatives regularly.

The EP's use of informal and formal powers in development policy

It is generally a difficult task to measure what direct impact political actors have on decision-making processes and policies. This is likewise true for the European Parliament, even more since it not only has formal but also important informal powers.

Since 2007, the Parliament has started to use its powers of scrutiny over the implementation of the legislation more strategically, particularly via its budgetary rights. Amongst the successes were the financial perspectives 2007 to 2013. These financial perspectives define the overall spending ceilings and thus, besides attributing funds, they set political emphasis on various sections. The

Parliament was able to successfully advocate for an additional € 1 billion to the initially proposed amount by the Council. The 2007–2013 financial perspectives also saw the much needed streamlining of the EC funding lines for external relations (so-called instruments). While strong parliamentary scrutiny is desirable, the previous inflation of over 30 budget lines in external relations overbureaucratised external activities. With the financial perspectives, the number of budget lines under the heading of external relations was reduced from more than 30 to seven. One of the newly composed funding lines is the Development Cooperation Instrument (DCI), which combines various activities in developing countries. While it gives more flexibility to the executive, it also calls for a stronger focus on a strategic approach of the EP, not at least to ensure policy coherence for development. To improve its position for scrutiny, the European Parliament urged the Commission to present the mid-term review of the financial instruments before the end of the legislature in 2009 (instead of 2010) and well before the hearings of the new commissioners. By doing so, the parliamentarians have a chance to prompt future commissioners towards compliance with their possible suggestions. The budget committee usually plays a strong parliamentary role. And the EP has generally benefited from a highly active Standing Parliamentary Committee on Development with a broad mandate (see Box 1).

Box 1: The EP's committee on development

The Committee on Development is medium-sized with 36 members (of which 12 European People's Party (EPP, i.e. Christian Democrats) and 11 Social Democrats (PSE) out of a total of 785 MEPs). This committee is one of the 20 standing committees of the European Parliament and it describes the role of the European Parliament as:

- "1. the promotion, implementation and monitoring of the development and cooperation policy of the Union, notably: (a) political dialogue with developing countries, bilaterally and in the relevant international organisations and interparliamentary fora,
- (b) aid to, and cooperation agreements with, developing countries,
- (c) promotion of democratic values, good governance and human rights in developing countries;
- 2. matters relating to the ACP-EU Partnership Agreement and relations with the relevant bodies;
- 3. Parliament's involvement in election observation missions, when appropriate in cooperation with other relevant committees and delegations.

The committee coordinates the work of the interparliamentary delegations and ad hoc delegations falling within its remit."

Source: Annex VI of the Rules of Procedure of the European Parliament, 16th edition, March 2009

During the last legislature, the European Parliament was instrumental in keeping Africa high on agenda of the EU, mostly in the context of the EU-ACP relations and despite its limited legal role. One example is the Parliament's role in negotiating the Economic Partnership Agreements (EPAs). In the context of the ongoing EU-ACP negotiations

on EPA led by the Commission, the Parliament has played an active part in supervising the role of the Commission and seeking expert analysis through hearings. It has also been instrumental in raising awareness of the suggestions voiced by the ACP, calling on various occasions for more flexibility in the negotiations on part of the Commission and to ensure a more development-friendly outcome for ACP countries in the wording of the agreement. At a time when many member states kept a low-profile in the course of the negotiations, especially towards their former "protégés" in Africa, the Parliament has taken on an increasing diplomatic role. It has provided a platform for partner countries of the ACP to express their concerns to Europeans, and has also contributed to shaping the debate. For instance, it was instrumental in putting the issue of a monitoring mechanism for the EPA on the agenda. The EP's action in this framework is indicative of its limits with regard to the Union's decision and policymaking processes on development issues. At the same time, however, this example also illustrates that the European Parliament can have an impact beyond formal decision-making powers.

In addition, the EP continued making political statements and sending strong signals to the EU's partners through speeches such as that of the Dalai Lama, who visited the European Parliament several times, or by granting the Sakharov prize for freedom of thought to the Chinese dissident Hu Jia in 2008. Other manifestations of the 'symbolic politics' and 'democratic conscience of the EU' role performed by the EP came with its support of the 'global call against poverty' campaign, in July 2005.

Truly, the 2004–2009 European Parliament has benefited from a more favourable context for development initiatives compared to previous legislatures. Four years into the adoption of the Millennium Declaration, development has indeed become more firmly rooted in the international agenda. An international consensus on how development cooperation should be done was formulated in the Paris Declaration on Aid Effectiveness and its follow up, the Accra Agenda for Action. This also provided the hotbed for more development-oriented outcomes, such as the G8 Summit in Gleneagles or the Aid for Trade Initiative.

The EP in the next legislature: The tasks ahead

With tremendous shifts in international power structures, we are likely to see a number of reforms taking place in international organisations in the foreseeable future. We expect to see more urgent European debates on international relations, e.g.

- on the how to achieve the MDGs until 2015;
- on the economic crisis and its impact on developing countries, linked to trade policies, but also to development;
- on climate change and its impact on global development, with implications e.g. for security;

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 on the growing importance of emerging powers like China, India, and others, dealing with a whole range of topics and also closely linked to those mentioned above.

Parliament has a laudable urge to strengthen scrutiny over the Commission. This should, however, not lead to micro-management of external policies, as relations with global partners also require flexibility. Seen from this angle, the merger of budget lines with the financial perspectives 2008–2013 in EC external relations certainly was a step in the right direction.

A sizable part of spending on development cooperation – the European Development Fund - is extra-budget. Although the European Parliament only has incomplete budgetary rights, it plays a key role in encouraging and ensuring a better coordinated EU development policy: important to the European Parliament is how the money is spent. Budgetary control over the European Development Fund (EDF) should be a logical consequence in strengthening parliamentarian oversight. During the next legislature a possible budgetisation of the EDF will be on the agenda again and should be accommodated for. Budgetising the EDF would put funding under clearer scrutiny of the EP. The decision would thus have a positive impact on legitimacy within the EU system. Care needs to be taken, however, not to lose the benefits of the EDF from a development perspective: the multiannual predictability of funding is a high value for planning in partner countries and can thus be positive on aid effectiveness, as established by the Paris Declaration in 2005.

The European Parliament is set to remain a strong partner for Africa. It will need to be informed with regard to the implementation of the Joint Africa-EU strategy and not least of the EPAs which deliver development objectives, possibly by taking an active part in a monitoring mechanism. In this context, it might be instrumental in shifting policy emphasis towards institutions like the Pan-African Parliament – and thereby moving towards an approach rooted in regional initiatives rather than the somewhat outdated grouping of the ACP.

If not proactively managed, global policies will be imposing themselves onto the EU's agenda. The European Union will need to act jointly in order to ensure that its voice will be heard. Thus, policy-makers should aspire for early involvement of the European Parliament in major decisions. Involving the EP is also instrumental for

reaching policy agreements: The European Parliament has in many cases become strong enough to block legislation and activities for which a majority was not sought for beforehand. Ultimately, the European Parliament has a key role to play in communicating why Europe engages in development cooperation.







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