

European democracy at the crossroads

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The longstanding political and scholarly debate on the European democratic deficit developed within the narrative of the EU as a well-functioning technocratic organization. The financial crisis has dissolved that very assumption, given the weak reactions which the EU institutions, with the exception of the ECB, were able to express.

Even before the opening of the Greek chapter, the decision-making procedure failed clearly to comply with the financial aggression to the euro. While the Commission behaved as a shadow institution, deep conflicts arose both among Member States within the European Council, and among different national institutions, the government and the *Bundesbank* particularly, inside Germany. It should further be reminded that Chancellor Angela Merkel refrained from giving an answer to the 2010 Greek debt's crisis because of the elections in North Rhine-Westphalia, and that only a U.S. President's telephone call advising her that the euro was sinking put the premises for the first, albeit scarcely significant, EU reactions to the crisis. I am not an economist, but there is no need to be an economist to stress that time is an extremely important factor in reacting to financial crisis. The delays of EU political interventions all along the crisis suffice to demonstrate its low capacity in facing the challenges arising on the very ground, that of markets management, on which it was expected to afford its best performances. Which would now be our currency's situation without the discrete but firm ECB's conduct? For the moment, the euro is safe not because of the interventions of the European political institutions, but in spite of their paralysis due to the political vetoes of some of the most important Member States.

I refrain from giving a 'moral' explanation of such phenomenon. It is true that, contrary to those of the past generation, the EU's leading policymakers of our time are not provided with a vision of the European enterprise, as Helmut Kohl's and Jacques Delors's recent interventions suffice to demonstrate. But concern for the functioning of the EU political institutions goes of course far beyond that point. The question should rather be put in the opposite way, namely: is the EU governance provided with structural constraints and incentives to political rulers in order to ensure its good functioning? To that extent, the answer should follow irrespective of whether political rulers have some vision of European future developments.

For these very reasons, I do not believe either to a 'partisan' explanation. It is true that the great majority of the EU Member States are today governed by coalitions or parties belonging to the right or centre-right wing of the political spectrum. But there is no evidence that things would have gone differently with majorities led by socialist parties, and the experience of the past decades tells rather the opposite. In the 1990s the optimistic image of reformist social democracy spoke to the times, and 13 of 15 EU governments came from the centre left in 1999. Across Europe, reformed centre left parties built a narrative of fair but flexible labour markets, social investment in education, renewal of welfare and strong internationalism. These elements were largely enshrined in the 2000 Lisbon Strategy, supported from an ambitious design of governance, the 'Open Method of Co-ordination'. That Strategy failed, and the question is still open among European socialist parties

whether such failure was due to the fragility of its objectives, or rather to the inadequacy of the respective means. It is however doubtless that the Maastricht constraints upon Member States were, and still are, far stricter than those deriving from the Lisbon Strategy, and that the Open Method of Co-ordination gave national governments a wide opportunity for maintaining a national approach to social policies. While paying lip-service to the dream of letting Europe become ‘the most competitive and dynamic knowledge-based economy in the world’, they were aware that the Strategy’s cost would threaten in the short term their own electoral consent, consisting in moving resources from traditional social policies to investments in technology.

Doesn’t this attitude look like the German Chancellor’s delays in coping with the Greek crisis? It does, revealing not just how politics is usually driven behind the scene, but, more specifically, the range of opportunities which national governments are provided with in the European decision-making process, being able both to externalise the disadvantages and to internalise the benefits of staying together in the Union. The fact that governments of Member States are decisive, albeit non exclusive, actors of such process is one side of the coin. The other, and even more important, side consists in the absence of political accountability mechanisms within the EU institutional system. It is that absence that gives national governments the chance of discharging into the EU the burden of hard choices, departing from those concerning the national budget, without paying electoral costs for these choices. It is in their own interest both to maintain the EU system as it is, with no chance of identifying accountable rulers behind the blue sky and the stars, and to let people believe the mediatic tale of ‘Brussels’ as the seat of inaccessible technocracy.

In the perspective of whichever national government, far from being a problem, the EU system’s political unaccountability is a fundamental resource. Not only such distortion lies at the core of the European democratic deficit. It puts also some of the premises for the rise of populist parties within national arenas, to the extent that it exacerbates the divide between national politics and supranational technocratic governance, notwithstanding the crucial, and of course strictly political, role of national governments in the EU system.

Is the financial crisis likely to put an end to such a game? And how might a new game be conceived? According to Olaf Cramme, the EU’s leading policymakers “know very well how to keep the show going and plug the dangerous holes that might cause incalculable damage to the euro area. What they just don’t know, however, is how to make the kind of leap forward which is required to put an end to the ever-recurring crises: the move towards a political union in which the inevitable trade-offs between national sovereignty and economic, fiscal and monetary integration are clearly recognised, shared with an enlightened electorate, and finally accepted by them through strengthened democratic procedures” (*Europe after the doomsayers*, Policy Network, Febr. 10, 2012).

It remains to be seen, however, whether governments will still be able of managing those further inevitable trade-offs. My opinion is that, at this respect, we are now really at the cross-roads, and that the choices to be made exhibit a strictly political nature. René Cuperus’s assumption that “politics is squeezed between financial markets and electoral markets” (*Why internationalist European Social-Democrats should never be eurocrats*, paper for the FEPS meeting, 16th March 2012) needs to be taken into account. In other words, the old game which I referred to might break itself either on the financial or on the electoral ground. But it is highly unlikely that it will endure. After all, as you know better than I do, euro-skepticists are already largely represented in the EP, and there is no evidence that they should not increase their seats at the 2014 elections.

On the other hand, the financial crisis definitively ascertained the EU's incapability in promptly reacting to external threats. And such inefficiency was proved from the already mentioned Commission's paralysis, and, first and foremost, from the delays, the fictions and the vacuity affecting the intergovernmental side of the EU institutional system. So far, change is needed on the ground of efficiency not less than of that of democracy.

But how might the game change, given the fact that the Lisbon Treaty mirrors partly the old one, and that its reform requires long procedures and strong political cohesion? It might change, to a significant extent, relying on conventions primarily led by the major political families represented in the EP.

Although frequently neglected in the debate on the institutional architecture, conventions might play a decisive role in shaping the Member States-EU relationship without touching the provisions of the treaties. An example might be afforded on the ground of the ratification of whichever reform of the treaties. The unanimous consent of Member States is here required from Article 48 TUE. What is not required, however, is their current practice of ratifying such treaties at different lengths, with the effect of exacerbating the national dimension of the referendum, whenever required: the 2005 rejection of the Constitutional Treaty in France was clearly due to the race for the national Presidency. But the most representative European political parties might convene that treaties should be ratified from each Member State within a very short period, e.g. a week, thus deeply enhancing the supranational sense of such operation.

A further, and far more important, example might derive from "the unanimous decision", adopted by the 2009 PES Prague Congress, and further confirmed and specified on 2 December 2010 and on 24 November 2011, "to run for the next European elections with a common strategy to implement a common program, embodied by a common candidate for the position of European Commission President", on the assumption that "Giving a human personality and a human face to our political platform will be a valuable tool to interest people in the debate, and to better illustrate that the left and the right at the European level, just as at the national level, have different programmes and policies, that are embodied by different candidates, and that they, as European citizens, can have their say in shaping tomorrow's policies" (PES Resolution of 24 November 2011).

I support such position not just in light of the "politicization of Europe" that it openly pursues, but also because it should force at least the European People's Party, if not further parties, to designate in turn a candidate for the position of the European Commission's President. Once achieved that result, a constitutional convention is likely to arise, with the effect of changing substantially, without amending the treaties, the rules of the game currently governing the EU decision-making process.

Under the Lisbon Treaty, the Commission's President is designated by the European Council "taking account" of the results of the EP's elections, and then elected by the EP. Furthermore, the whole Commission is collectively responsible before the EP. The Treaty has thus introduced the typical features of a parliamentary system within the EU. But while this is true on formal grounds, the provision that, while designating the President's Commission, the Council shall take account of the results of the EP's elections remains open to different solutions in substantial terms, according on whether these elections are politically 'de-structured', namely are exhausted with the mere choice of a certain list of candidates from electors, or are instead politically 'structured' through the further, albeit informal, partisan designation of the candidate for the position of the European Commission's President, giving the electors a supplementary political choice. While in the former

case the Commission's appointment procedure remains substantially in the hands of the Member States acting through the European Council, as occurred in 2009, in the latter the European Council is likely to be forced to appoint the candidate of the European political party that won the elections, upon a specific political platform. Accordingly, the political legitimacy of the Commission would be strengthened, to the point of paving the way to a "quiet revolution" of the whole EU institutional architecture. This is not to say, of course, that we might know a heaven. New conflicts would certainly arise. But the institutional consequences of the success of the PES initiative are likely to put an end to the already mentioned distorted EU-Member States relationship. And this would be per se a magnificent result.