

A Transatlantic Dialogue about Democracy and its Future*



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Dear Yves:

I am deeply troubled by the fact that recent debates about the European Union and its “democratic deficit” seem disconnected from empirical data and scholarly analysis about what Europeans actually think about the EU, what they really want from it, and how they act politically. This is not just true of popular views and journalistic accounts, as one might expect, but of the work by our most thoughtful public intellectuals and politicians, such as Jürgen Habermas, Joschka Fischer, Simon Hix, and Andrew Duff.

Most of these thinkers believe the Europe suffers from a “democratic deficit”—that is, that the institutions of the European Union are less “democratic” than those of its member states. Nearly all who hold this view believe one or more of six “myths” about Europe: First, Brussels increasingly dominates national politics. Second, overwhelming numbers of powerful EU officials act secretly and without proper procedural controls. Third, EU decision-making is electorally unaccountable. Fourth, recent negative referendum votes have expressed fundamental public dissatisfaction with the EU and its policies. Fifth, the EU is disliked and mistrusted by Europeans because it allows less direct public participation in politics than national institutions. Sixth, voters fail to participate actively in EU politics because its institutions discourage or disallow them from doing so. For these reasons, many people believe Europe is structurally “undemocratic”—and that this has sparked a crisis in European politics.

As I have argued in recent research, each of these claims is empirically false. The EU re-

mains under the constant, tight control of 27 powerful and democratic member states, backed by a directly elected European Parliament. Because European publics and their governments want it to be so, only a small and stable portion of national laws (9-15%) originate in Brussels. With every law scrutinized by 27 directly elected governments, a directly-elected European Parliament, plus the technocratic Commission, EU decision-making is by necessity slower, more transparent, and more democratically accountable to broader constituencies than in its individual member states. Every member state gets a say, not only because EU directives must pass by a high 60-70% vote, but because in practice they are generally passed by consensus, taking minority concerns into account. Moreover, any member state can at any time choose to have its national parliament approve all EU votes, as do Denmark and Sweden. The EU remains weak, with no police, no army, a limited mandate, an administration no larger than that of a small city (only 6,000 actually make decisions), and disposition of a minuscule portion (2%) of European public finance. Almost all laws and rules are therefore implemented in a decentralized fashion by Italian, French, German and other national officials. The few exceptions of more “insulated” decisions—such as the decisions of the European Court of Justice, European Central Bank, regulatory authorities—are the sort found in every national system.

Contrary to lurid tabloid headlines and the claims of extreme right- and left-wing Euroskeptics, there is no evidence of a popular backlash against the EU. Polls reveal that Europeans trust and like EU political institutions more than their own national political institutions. Integration remains popular. Is lack of participation a public concern? No. In fact, polls show citizens across nearly all European countries trust and like insulated political institutions like courts and regulators (national or European) more than “democratic” ones like legislatures and elected politicians. Whatever problems the public perceives in modern political institutions, lack of “democracy” is evidently not one of them. What of the recent referenda? Exit polls and voting behavior studies reveal that up to 80-90% of negative votes in Ireland, France, and the Netherlands were motivated not by any coherent critique of the EU but by protest voting against national governments, false beliefs about the EU, or outright ignorance. For example, over 40% of Irish “no” voters admit they opposed the Lisbon treaty because they had no idea what was in it, while another 25% opposed it because anti-Lisbon treaty groups spent millions to convince them that the EU could institute

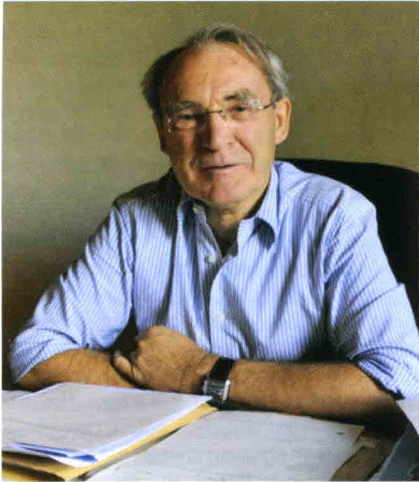
a military draft, ban abortion, and do other things it cannot and will never do.

Finally—and very importantly—the primary reason why Europeans abuse referendums to debate irrelevant issues, why they decline to debate the EU in national elections, and why they fail to show any enthusiasm for Euro-parliamentary elections, is not because EU institutions in any way impede their democratic participation. It is because the EU stays away from the areas voters care about enough to motivate intense political participation. These issues, the same in every European country, are social welfare, fiscal policy, health care, pensions, education, employment policy, law and order, and such. Europeans want these issues to stay national, and the EU has respected their wish. But the result is that intense democratic debate by necessity remains national as well. When one compels Europeans to debate EU issues, about nearly all of which they care very little, the result is not an enlightened ideal deliberation. As the Irish referendum demonstrates, it is chaos. In short, the problem today is not that Europeans are angry at Europe; it is that they are apathetic. No institutional reform can change this basic fact.

Thus the best arrangement for Europe—in any case, the only feasible one in the real world—is the existing one. Italians, Swedes, Lithuanians and 24 national publics vote for national governments they trust on the basis of issues they care about, and those national governments support corresponding policies in Brussels. The directly-elected European Parliament serving as a secondary democratic conduit. The overall result of this hybrid system is, in fact, to make the EU both transparent and very responsive to public pressure—as illustrated by the outcome of recent policies in exceptional areas of modest public concern, like services deregulation, genetically modified foods, and the WTO Doha Round, where the views of leaders and technocrats have been trumped by popular pressures. If Europeans do not like the results, they can vote their national governments or Euro-parliamentarians out of office, just as they do with non-European issues.

My plea is aimed at those who favor facts over myths, pragmatic over utopian conceptions of democracy, and a Europe that works today over idealistic conceptions of future federalism. And so, as you are one of Europe’s leading empirical political scientists, but also now—as Rector of the European University Institute—a practical man of politics, I hope that you will be touched by the spirit of this critique.

Andy



Yves Mény, President of the EUJ

Dear Andy,

Your plea in favour of a “realistic” Europe against the views of “utopians” is at first sight very convincing. The achievements of the “European project” over a period of 50 years (or more if you consider the Coal and Steel Community) are impressive. Managing to build up over the years a single market and currency and then enlarging successfully to most of Europe can only be a matter for rejoicing.

So why bother? So far so good.

I am willing to buy part of your argument and to go even further. The European system is probably more sophisticated and protective of citizens’ rights than those in place in the national components of the EU. In many areas it goes beyond the protection and guarantees secured by the Bill of Rights and the US Supreme Court. After all, and just to take one example, not a single EU country is entitled to apply the death penalty, while this remains the privilege of the States in America. Europe has “enjoyed” more centralisation and uniformity in the field of human rights than any other political space in spite of being divided between 27 “sovereign” states.

I have always been supportive of this evolution in particular in the light of the tragic European experiences of the past. But I have also argued in my work on populism that democracy could be at risk if one pillar (for instance the constitutionalist one, based on rights, checks and balances etc...) was over developing in contrast with the popular pillar so well captured by Abraham Lincoln “Government of the people, by the people, for the people”. The US still today reflects rather well this equilibrium between the populist and the constitutionalist components of democracy.

The problem in Europe is that there has been a growing imbalance between these 2 dimensions over the years. The reasons for this are many. Some are purely national. Some stem from the globalisation process, which increases regulation through treaty negotiation to the detriment of national rules. But in Europe the crucial factor has been the European integration process.

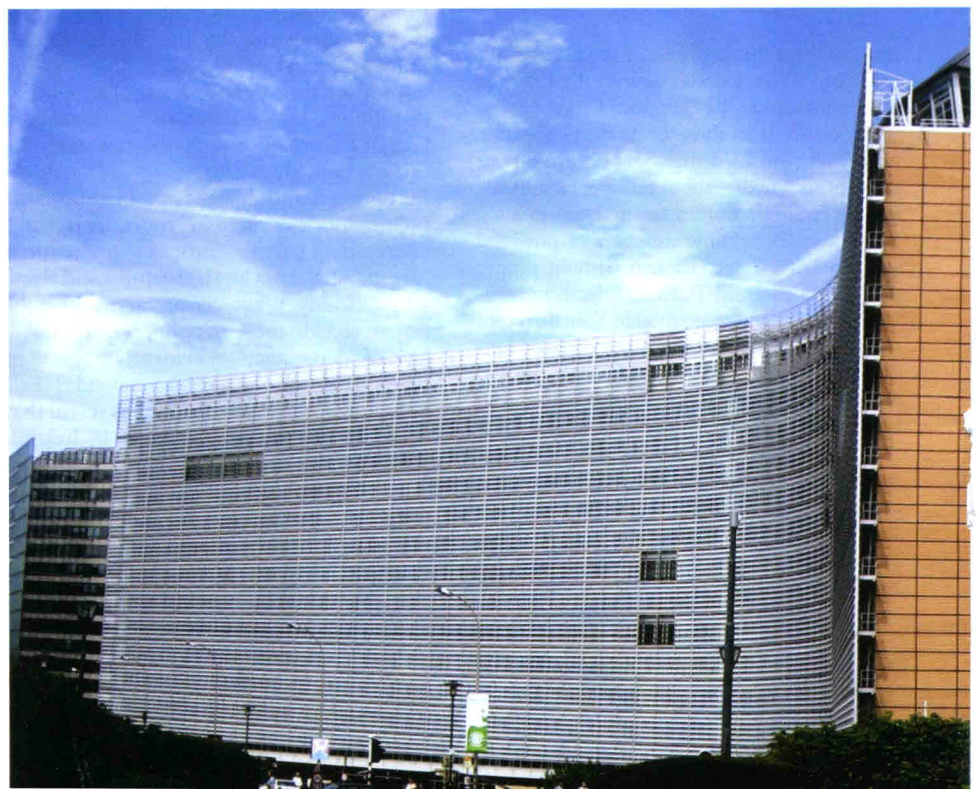
This process was initially political under the disguise of economic cooperation and development. Still in 1989 and 2004 the integration of the former soviet-dominated states was more political than anything else as it would be the case of Turkey, should it join the EU.

These political moves and goals have dramatic consequences on the functioning of existing democracies. You tend to minimize this impact by emphasising the limited scope of the transfer of competencies (economic regulation), the small number of civil servants, the full involvement of national bureaucracies and policy-makers, the possibility for the citizens to control their representatives and governments. This is true, at least at first sight. But the reality is rather different. There is no need to have large bureaucracies to produce regulations which penetrate the entire society in a very detailed and cumbersome way. Regulation is the most efficient instrument ever invented to externalise costs on others at minimum price!!

Another feature is that any regulation creates losers and winners. In national systems governments know that their survival is dependent on balancing as much as possible the distribution of pain and benefits. By

construction, the EU is unable to do that. The division of labour between States and the Union is rather dramatic and unsustainable in the long term: economic and monetary regulation to the Union, welfare and income taxes to the national governments. The capacity to act is limited within a narrow band which conditions governments and political parties. The collapse of social democrat parties everywhere in Europe is testimony to the indirect impact of the Union on national politics. Neo-liberal parties (including the Labour Party in Great Britain) can live well within that straitjacket which favours their preferences and their electorate. But it jeopardises the left and exacerbates the rage of the losers who join extremist, radical, sometimes xenophobic parties at the 2 ends of the political spectrum. I do hope I am wrong, but I believe we have to prepare ourselves for the shock of the forthcoming European elections. Absenteeism will be high. The anti-European parties from the left and from the right will be on the rise. The electoral legitimacy of Europe will be eroded at the worst possible time, when the international economic crisis exacerbates tensions, self-interest, between individuals but also countries.

We should not be surprised by such a development. As Europe has forgotten its political dimension to privilege a rather technical management of more and more issues related to the economy, we have deprived the national democracies of what was their flesh and blood from their very inception: in other words debating and deciding about economic issues. Today, everywhere in Europe there is a feeling of powerlessness and frustration. People understand that they



can still debate but that it does not matter. Economy is too important an issue to be left to the people...Remember Bill Clinton's words during his political campaigns "it's the economy, stupid!"

At this point, I believe that our choices are limited. If we agree that economic issues should be a matter for democratic debate and decision, the choice is between re-nationalisation of economic policies or a democratisation of higher levels of decision-making. Let me underline immediately that the first choice is a non-option. The dream of mastering its destiny at the national level is an illusion that even the great powers are acknowledging.

If we are left only with the second option, we should not content ourselves with the present situation which is unsatisfactory and potentially risky for the future of democracy.

Dear Andy, remember the dominant paradigm before the American and French Revolutions. Democracy was perceived by most thinkers and philosophers as an ideal form of government. Unfortunately, its pre-conditions were reserving it to minuscule states. The combination of the democratic ideals with the concepts of representation made the miracle, i.e. the feasibility of democracy in large states.

Our challenge today is of the same nature: how to "democratise" regional and/or global authorities in order for democracy not to become an empty shell.

Yves

Dear Yves:

I am glad we find ourselves so much in agreement in rejecting simplistic Euroskeptical views of the EU as a despotic "superstate," and in espousing an ideal of democracy in which popular involvement is balanced by non-participatory institutions and practices. We share, also, a concern about the future of European democracy. Europeans are disillusioned about their national democracies in part because the options are limited for increasing (or maintaining) national social spending and policies. This strengthens extremists at the expense of the traditional center-left—a concern I feel acutely as a social democrat myself.

But why do you blame the EU for this trend? And recommend EU democratization as a panacea? Here we disagree. Your critique rests on two claims. First, limits on national social policies today result from "dramatic" increases in "neo-liberal" EU policy-making, which impose a "regulatory straightjacket" on left-wing policies. Second, the proper response is a "democratisation of higher levels of [European] decision-making", ostensibly to implement more "social" policies at the European level, thereby satisfying voters and legitimating Europe.

In admirably succinct form, Yves, you have encapsulated the core belief of today's continental European left, from Jürgen Habermas to the militants of the French Socialist Party. Democratic socialism has lost its way! Let's blame Europe's democratic deficit! Attractive though it may be to social democratic politicians who seek to evade political responsibility, journalists who seek easy

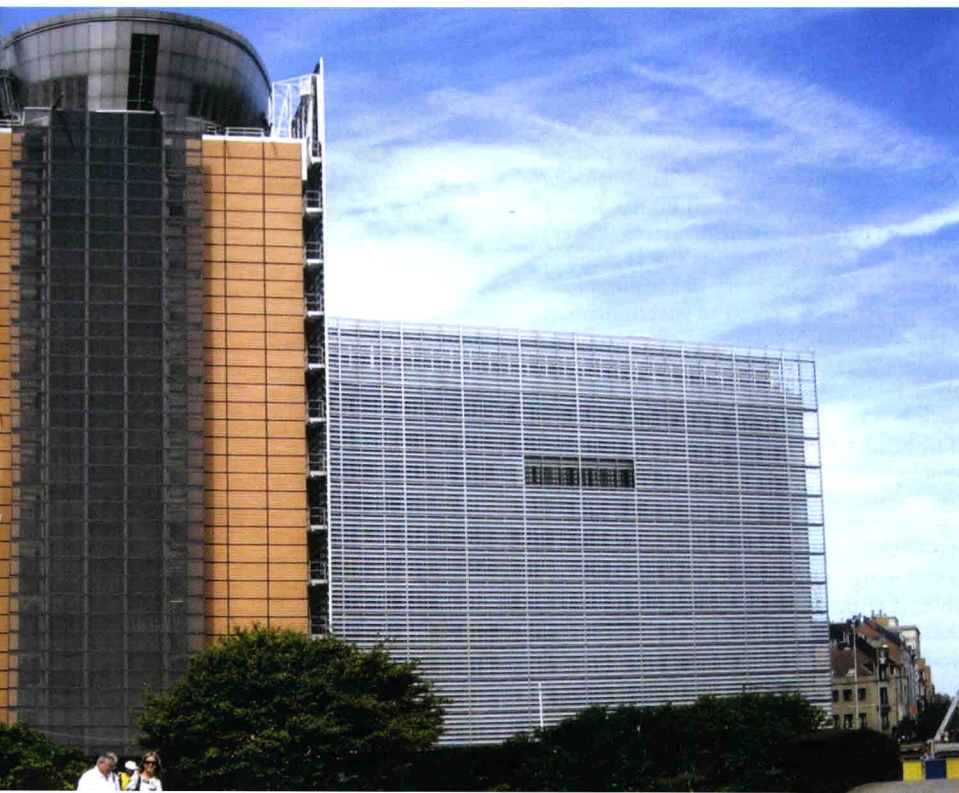
explanations for referendum results, and socialist militants mired in the ideologies of yesteryear, such a diagnosis is unsupported by the facts and the resulting policy proposal is unworkable.

No serious analyst believes that European governments could realistically spend more on social welfare today, or even maintain current levels. This is a utopian fantasy of the left. Far from being excessively "liberal", as you claim, overall European economic policy is excessively "social", in this sense: National social welfare systems are not being reformed quickly enough—redirecting social expenditure, consolidating spending, rendering labour markets flexible, and permitting immigration—in order to be sustainable over the longer term. Everyone knows it, even if some pretend otherwise.

This fundamental constraint on socialist policies, moreover, is not imposed by the EU, but by deeper forces. These include aging demographic trends, the post-industrial economy, slowing productivity growth, shifting demand for unskilled workers, rising health care costs, fiscal constraints, the power of insiders, and third-country globalization. Because (directly elected) European national leaders know that these structural trends cannot be reversed, they unanimously agreed on the "Lisbon agenda" for economic competitiveness and reform. You call this "technocratic"; I prefer to call it "enlightened."

For 50 years the EU has played this useful role as a counterweight to national social systems, maintaining a healthy balance. Contrary to what you claim, Yves, the member states, not the EU, dominate this partnership. Your "straightjacket" metaphor implies a "dramatic" recent increase in European legislation, but the number of EU laws passed annually—small anyway, not the 85-90% one reads in the Euroskeptical press, but 9-15% of national totals—has declined markedly. Far from imposing excessive neoliberalism, the problem is, if anything, that the EU is far too weak vis-à-vis voters to induce even "liberal" reforms such as the Lisbon Agenda—even when they would help save social democracy! The problem is not technocratic despotism; it is a lack of national political will.

Critics like yourself and Habermas claim that European liberalization and national social policies are incompatible. Social policies must be Europeanized to be effective. This sounds good in theory, but where is the empirical evidence? In fact there is no viable EU alternative. What would a "European Social Policy" actually be? Subsidies from richer countries to weaker, poorer economies like Poland and Italy? Poor country acquiescence to measures to protect workers and restrict



immigration in rich countries like Germany and France? Uniform social and fiscal regulation imposed from above across the EU on disparate social systems? Just to state the options is to demonstrate that all of this is a pipedream. The 27 European member states lack any consensus. Polls consistently show European citizens do not want EU action in this area. The national systems are too varied to be reformed in tandem. At best European social policy is illusory; at worst, it would destroy the EU—most importantly because it does respect the true source of EU legitimacy, the national democracies.

By obsessing about European social policy and the “democratic deficit”, rather than attending to necessary national reforms, the European left has talked itself into a cul-de-sac. Socialists now favour undesired, unworkable policies in order to legitimate and democratize the EU or, as Habermas puts it, to create a European “public space.” This sort of muddled thinking brought about the recent EU constitutional debacle. It “puts the cart before the horse”. The only reasonable purpose for shifting the level of policy-making and democracy from the nation-states to Brussels is the reverse: One proposes workable policies, and democrats mobilize around them. This is what motivated the great domestic democratic transformations of the past. It is time for Europe—led by the European left—to return to its pragmatic roots.

Andy

Dear Andy,

It seems that we have difficulty in fully agreeing with each other, while being unable to disagree completely.

You are right when you underline the incapacity of social-democratic parties to cope with the tremendous economic, social and political changes of the past years. The parties which were supposed to be international by choice and vocation have been trapped in their national thinking, structures and clientele. They can certainly be blamed for their incapacity to react and counteract to the sweeping tide of the neo-liberal ideology. And those who have tried, such as the Labour Party, have made such concessions to the most outrageous excesses of wild capitalism that, in my view, it is difficult to consider, from a moral or ethical point of view, the labour party as a party of the left. Tony Blair combined in a messianic fashion the fascination for money and the attraction of religion in a way which is more reminiscent of the Reagan years than anything else.

I believe we do not disagree on that. But let me remind you that they had to face an unprecedented ideological U-turn, character-

ised by the supremacy of the neo-liberal paradigm over the traditional social-democratic one (or the so-called German social market economy). Our diagnosis converges on their failure. We probably diverge about the impact of the changing environment of the actual policies of EU. The Lisbon Agenda that you mentioned was not an attempt to rescue the social-democrat model by pushing the national governments in the right direction. It was rather the vehicle of the dominant paradigm forcing the adjustment of national policies through economic regulation on one hand, and “soft” competition between the Member States on the other.

What Fritz Scharpf has labelled as “negative integration” (the elimination of economic barriers) benefits from appropriate and centralised instruments, while the “positive integration” has practically no instruments and no means, with a few exceptions.

Should a social policy, set up and funded at the European level, be the alternative as you seem to suggest? Certainly not. Most national welfare systems suffer from bureaucratic pesanteur and blindness. Shifting social policies to Brussels would not only be a mistake, but a nightmare. But a social policy is not made only of social benefits. The main issue at stake is that many social rights are challenged or turned down at the national level because the economic regulations permeate and condition them. Is it so necessary to promote equality between men and women by forcing Member States to erase the prohibitions of night shifts for women? Why is it so difficult to change the VAT rates for services which are essentially provided locally (unanimity is required) while income taxes or corporate taxes are fixed at their pleasure by national governments impeding de facto some political choices because of this race to the bottom.

Do not misinterpret me. I am not advocating the rescue or safeguard of obsolete policies that social democratic parties are unable or unwilling to change. What I do not accept, because I believe it is detrimental to the very purpose of Europe itself, is the supremacy of market forces on every dimension of life and the actual incapacity of governments to reconcile through political choices economic and social constraints. For the past 150 years, this has been the heart of politics.

If we believe this is a dream or an illusion, we should say so, as for instance Nino Majone so eloquently argued the case some years ago. But obviously it is difficult to sell it to the citizens. If we believe that economics is still a crucial part of democratic governance; if at the same time we are convinced that economic (and other) issues have to be dealt with beyond the borders of the Nation State, then, to come back to my initial point,

we have no other option than to try to democratise little by little these supra-national or international authorities. One way is the promotion of the rule of law and most of the road has already been accomplished at the European level. Even with more modest objectives this “democratisation process” has to develop at the international level. Some limited examples such as the International Penal Tribunals or the “jurisdictionisation” of the WTO procedures are promising openings. The road however is long and bumpy. Now that Europe has put in place an extremely sophisticated system of rights and of checks and balances, time is more than ripe to develop the other “pillar”, the popular one. I have not enough space here to indicate how this could be done, except by emphasising the need for an incremental approach. The ways and means are open to debate and experimentation, but I do not think we can evade the objective. A democracy without the people is not an option. As somebody put it in relation to the customs union created around Prussia, “A Zollverein is not a polity”. The observation remains truer than ever.

Yves

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