Globalization and Governance: Democracy in the EU

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Introduction

- "Does Democracy Stop at the Water's edge?"
- Many (e.g. Dahl, Aron) think democracy requires an authority structure, i.e. a state
- I argue that global integration requires democratic governance more than ever
  - "case study" is the EU
  - But the argument applies elsewhere, first the general case

Globalization and Democracy: the Political Trilemma

- Rodrik: we face a "political trilemma"
- Three desirable things, we can only have two
  - Democracy
  - Globalization
  - National control

- We can have democracy and NC, give up Globalization
- WE can choose globalization and democracy at global level, give up national control

The Problem

- **EU-27 define an integrated market**
  - High level of economic exchange
  - A continental market
    - 70% of total trade with other EU states

  - Interdependence creates and transmits disturbances

Recent examples (globally):

- Greece
- Spain, Italy, Ireland, Portugal
- Google considers pulling out of PRC due to censorship issues
- Occupy movements, NYC, Oakland, Brussels
- Radical right parties in France, Netherlands, Switzerland

Globalization → econ. Disturbances → but little popular control → no democracy.

A worldwide problem – not just the EU

Definitions of Democracy

- **Participation**
  - Democratic citizens can't be passive, inactive. Must take part.
  - Even if "good" policies are delivered by government, people must play a role.

- **Representation**
  - Given mass society and large groups of peoples in the EU (27 states), direct democracy is impossible.
  - Someone must represent "the people".

- **Accountability**
  - Accountability implies responsibility. Those who make laws, or implement them, or interpret them should also be accountable.

Definitions of Democracy con't

- **Transparency**
  - Public choices must be visible.
  - Important for people to have information to form opinions.
- **Rule of law**
  - Democracy is a form of government that takes place according to certain procedures, legal procedures.
  - Rights are not really rights if they are not guaranteed. If a new majority in the Parliament can change rights,......
- **Public sphere**
  - Political communication critical
  - A "place" – even an electronic place– is critical

What is the Democratic Deficit?

- David Martin's quip: "If the EU were…"
- Three main components of Democratic Deficit:
  - **Weak Parliamentary Oversight**
  - **Absence of entrenched system of rights**
  - **Lack of Public Sphere**

Parliamentary Oversight

Shirley Williams was the first to identify the DD, and she defined it:

"The 'democratic deficit' is the gap between the powers transferred to the Community level and the control of the elected Parliament over them. One of the unforeseen consequences of the Community, therefore, beyond the transfer of sovereignty in specified areas, is the weakening of national parliaments vis-à-vis their own executives, even in those areas that lie outside Community competence at the present time" (Williams, 1991:162).

Parliamentary oversight, cont'd

- In member states , MPs directly elected to represent the people.

- serve as check on excessive executive power. MPs hold executive actions up to public scrutiny and debate policy initiatives.

- power of European Parliament is weak by comparison with national executives operating at the European level; executive power is exercised without "normal" checks.

- As authority migrates to European level, deficit becomes wider. Executive power is enhanced, parliamentary power is diminished.

- The democratic deficit not about the loss of national power to supranational authorities. Rather it concerns the loss of legislative (representative) power to executives at both the national and supranational levels.

Absence of an Entrenched System of Rights

- Justices appointed by national executives and operate in secrecy
- No one knows what happens inside the chambers (where ECJ makes decisions)
- Votes not published; no concurring or dissenting opinions

- Rights are derived from market participation
  – Few guaranteed rights (changes with Lisbon)

Lack of Public Sphere

- EU lacks the foundation for democracy (no demos)
- No public sphere, no "place" where Europeans "gather"
- Media (TV, newspapers) are national in ownership; conversations are national
- EU lacks a coherent demos, a European identity
- Identities are national: German, Italian etc.
- Habermas: people need information, and public space, to form opinions and collective will
- Legitimacy crisis, especially with financial crisis
- Percent who think membership a good thing declined during 1990s, from 70% to around 50%

The Response:
The Democratic Deficit doesn't Exist

- The first response is that there is no DD. The EU never intended to be democratic
  - This has Gaullist and Monnetist versions
- DeGaulle, the EU meant to be international—not supranational. EU should be devoid of authority, legitimacy and patriotism
  - The EU, as all IGOs, derives authority from its masters, the member states
- Monnet also downplayed patriotism
  - Solve international problems by technocratic means
  - Avoid direct challenges to states.
  - Do not involve public opinion
  - Low politics, expert knowledge the way to integration
  - This strategy had a price; it avoided politics, cut itself off from the people, thus hurt its legitimacy.

Democratic Deficit Doesn't Exist, cont'd

- Most important policy areas are outside jurisdiction of EU
  - Taxation
  - Fiscal policy
  - Social welfare
  - Health care
  - Education
- Institutions of EU "deliver" good policies, close to median voter. Take EMU and monetary policy, which has delivered low inflation (price stability), moderate growth
- The EU's institutions are no more removed from the people than national parliaments.

Response: National Parliaments

- Part of problem is that powers have shifted to Brussels where national parliaments lose control

- The Danish Folketing had a European Parliamentary Committee from 1973. But it was only country.

- Formation of European Parliamentary Committees in other states during the 1990s.

- Euro Affairs Committee is powerful
  - Issues binding mandates before negotiations in Brussels
  - Questions ministers after then return
  - Has extensive access to EU documents
  - Duty of Danish government to keep parliament informed

- Factors that make for powerful national parliaments
  - New members with democratic traditions
  - Higher stakes of issues dealt with
  - Move to QMV

Response: The European Parliament

- Established as a weak institution
- Direct elections in 1979
- Evolution of legislative procedures
  - 1958-1987 consultation procedure
  - 1987-1993 cooperation procedure (a second reading)
  - 1993 co-decision procedure
  - Lisbon Treaty expanded scope of co-decision
  - Increased contact with national parliaments
    - Joint meetings each semester
    - Invite national parliamentarians to EP meetings
- Control over Commission
  - Can "sack" Commission
  - Council selects President taking account of EP elections

Response: ECJ and Rights

- Rights an important part of democracy
- Yet, international law is mostly about states
- Court has played important role in fostering rights
- Rome Treaty a treaty, a compact among states
  - States only had legal standing
  - How did this change?

Expansion of ECJ Powers

- Two things had to happen before European law could have force
  - Individuals had to have standing
- Some principle had to evolve to negotiate differences between European and national legal orders
  - Van Gend en Loos (1963), direct effect
  - Costa v. ENEL (1964), supremacy

Expansion of ECJ Powers, cont'd

- Once these legal principles were in place, the way was open to development of rights. Examples:
  - Labor market rights: pensions, family unity, economic non-discrimination
  - Gender equality
    - Art #119 equal pay: Nothing until 1976, Defrenne v. Sabena established equal pay principle
    - Court followed up in two directions: broadening pay to include pensions, automatic promotions, fringe benefits, overtime, unemployment insurance
    - Indirect discrimination (job segregation, part-time work)

Response: A European Public Sphere

- Central claim, no European public sphere
- No European identity
- Response: A European public sphere already exists
  - Hiding within national identities and public spheres
- Separate European identity has not been created but national identities have been Europeanized
- Main divide in Europe not between those in favor of Europe or the nation state
- Main divide is between inclusionists and exclusionists (Risse)
  - Exclusionists identify solely with nation state or EU
  - Inclusionists identify with both
  - Over 70% of French, Germans, and Italians describe themselves as both European and national

Response:Public Sphere

- 3 Streams of evidence for public sphere
  - Issue attention at national level,
  - Covariation of issue cycles
  - Common frames of reference
- According to these measures, NW Europe, Spain, and Italy are Europeanized
- UK is odd man out
- There is more attention to EU in these countries, they tend to discuss common issues in roughly the same time frame
  - Enlargement, Haider issue, Fischer's Humboldt speech Europe of states, federal Europe
  - States against Europe theme
  - Europe as agent of modernization theme

The Future: Continuing Challenges

- People are apathetic but not because issues are unimportant but because they have no real way to effectively participate.
- There are no European elections in any meaningful sense.
- Elections to EP are not meaningful because they do not result in a government This is a fundamental difference with the way it works at the national level. EP elections are not about parties that offer programs about how to rule.
- Most EP elections are "second-order" national elections. They are treated as referenda about how the government is doing at the national level.
- Legislation comes for the most part out of the interaction between Commission and Council of Ministers. The EP

Future Challenges

- There is much to do to correct the DD. The most important things are:
  - Have genuine European elections in which parties run on European platforms and then form a government
  - Elect a European executive (this would follow from the first suggestion).
  - Have the parliament become a real legislature, which works much the same way as at national level.
  - Have genuine European citizen rights, different from the rights that exist at the national levels. Then perhaps a true European demos would emerge.