

Democracy and the EU

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Good afternoon. I have been asked to speak about democracy and the EU and I'm in the unenviable position of having to follow Andy Storey's presentation, which was excellent, insightful and well researched as always. As many of you are aware, the Green Party intends to promote a vigorous internal debate in the party before arriving at an agreed position on whether to support the ratification of the new EU Constitution or not. The views I am presenting here today are therefore my own personal views, rather than any official Green Party position.

The problem with speaking about the subject of democracy and the EU, is that firstly the issue is such a huge one it's hard to know where to start, or to finish. Secondly, a lot has already been said about the democratic deficit that characterises the EU and how it functions, so I am keen to avoid repeating familiar arguments. The context in which the Summer School is being held this year is one in which the Draft EU Constitution has been agreed by all 25 EU Heads of State at their most recent IGC. However, I do not intend to touch on the subject of the new constitution in any depth today. Rather, I wish to return to a theme that I raised in my talk to this Summer School last year which is the democratic deficit of the European Union, the neo-liberal economic policies that are increasingly being embraced and promoted by the Union, and the relationship which I propose exists between the two.

I will begin by making the assumption that there is a general consensus about the existence of a democratic deficit in the EU. I believe this is a fairly reasonable assumption to make, as even the most ardent Euro-enthusiasts and indeed the political leaders who have continued to forge ahead with the process of European integration have generally accepted that this deficit exists, and that it is one of the major challenges that continues to face the EU. Michael J. Baun in his book "An Imperfect Union" refers to the democratic deficit in the EU as "the growing gap between the power and authority of the EU". Essentially, as more aspects of national sovereignty are transferred to the European level, the ability of citizens to influence and supervise this new power base has declined significantly. Those who are strong advocates of deeper European integration tend to emphasise the opportunities inherent in what has been described by Habermas and Derrida as the EU's potential for being a model of "post-national governance". This model is seen as a means of reconciling national identity with a wider, regional identity that supercedes national allegiances and dilutes national rivalries. The EU, it is argued, provides a unique model for how people can live together simultaneously within and beyond nations, thus removing a perennial source of conflict between peoples. Those who subscribe to this view frequently assert that European integration has delivered fifty years of stability, peace and economic prosperity, that it has raised living standards, built an internal market, strengthened the Union's voice in the world and achieved results which would not have been possible by individual Member States alone.

In fact, it is often asserted that the undeniable peace and economic dividends yielded by the process of European integration require a pragmatic approach to be taken to the corresponding loss of national sovereignty on the part of member states. Indeed many people are satisfied to sacrifice a certain amount of national sovereignty in the interests of jettisoning some of the less appealing features of nationalism, considered responsible in part for the occurrence of both World Wars in the first half of the twentieth century. Little is said however about whether an equally

pragmatic approach should be taken to accepting the accompanying reduction in, and impoverishment of, the quality of democracy traditionally enjoyed by citizens within the framework of the sovereign nation state. Those of us who are critical of the current process of European integration see the issue of its democratic deficit as one of central and critical importance, beyond any pragmatic political trade-offs or considerations of "realpolitik". The rapid pace of globalisation has meant that the emerging polity that is the EU has experienced a highly accelerated rate of development. Its citizens have seen a considerable amount of the competences of the nation state transferred to this supranational body by means of dense and complicated legal treaties that are not easily understood. New institutions have been established that operate in unfamiliar ways, and that fail to meet the basic standards of transparency and accountability. Many people are rightfully concerned that the quality of democracy that traditionally has quite successfully been delivered within the framework of the nation state and national constitutions has been weakened and reduced through the construction of the European Union.

The question of whether this diminution in our democracy, resulting from the creation of the EU, should surprise us or not, is one that needs to be asked. Mathias Koenig Archibugi, Research Officer at the London School of Economics and Political Science, in his paper "The Democratic Deficit of EU Foreign and Security Policy" states the following: "In the EU, the prospect of democratisation seems particularly problematic because the main actors threatened by it are precisely those in charge of determining the pace and shape of the Union's institutional change, that is, the governments of the member states". In this paper, Archibugi refers to a theory currently popular in the field of international relations known as "collusive delegation" and he hypothesises that the frequently lamented "democratic deficit" of European governance is actually one of the purposes of integration, and not merely an unfortunate by-product. He refers to various authors who have argued that participation in international policy-making can increase the independence of a government from the domestic actors that are supposed to check its behaviour. He quotes Karl Kaiser who thirty years ago observed: "the intermeshing of decision-making across national frontiers and the growing multi-nationalisation of formerly domestic issues are inherently incompatible with the traditional framework of democratic control".

Kaiser asserted that concerted policymaking within international institutions allows national governments to elude parliamentary control, at least to some extent, since they can refer to the collective character of the decision taken and to the high costs for the country if the parliament rejects the agreement negotiated by the governments. Moreover, governments can use the complexity and lack of transparency of international negotiations to prevent unwelcome intrusions by parliament or public opinion before an agreement is concluded. The parliament's capacity to control government negotiating behaviour is generally limited by the (real or alleged) need for secrecy and by parliament's dependence on information provided by the government itself. Further on in his paper Archibugi states: "To succinctly describe the democratic deficit problem: policy-making functions are increasingly performed by European institutions and the resulting diminution of national parliamentary control is not offset by democratic controls at the European level. The collusive delegation thesis accepts this diagnosis but adds a crucial element: it maintains that the democratic deficit is not merely a by-product of the transfer of powers to supranational institutions, but also one of the purposes of this transfer. Governments pool their authority in order to loosen domestic political restraints". Archibugi also quotes Karl Dieter Wolf who argues that states have a priori interest in expanding their autonomy with respect to society. According to Wolf, states used to help each other mainly by perpetuating a threatening external environment, but he suggests that they now tend to achieve the same effect by creating binding intergovernmental arrangements. Now, as then, he argues, "states can co-operate against societies". As one example of "collusive delegation" Archibugi refers to a section of the detailed

history of the European Monetary Union as set out by Kenneth Dyson and Kevin Featherstone "The Road to Maastricht: Negotiating Monetary and Economic Union". These authors describe the situation in Italy at the time where a group of officials within the Italian Central Bank and key ministries conducted the Maastricht negotiations and, according to the authors, "sought to bind Italy by external ties and obligations- in order to secure domestic reforms of an essentially liberal character". These reforms were considered unattainable otherwise because of domestic opposition. Guido Carli, Italy's Treasury Minister and chief negotiator at the Intergovernmental Conference on EMU came close to openly acknowledging the logic of collusive delegation when he remarked "our agenda at the table of the Intergovernmental Conference on European Union represented an alternative solution to problems which we were not able to tackle via the normal channels of government and parliament".

I would like to propose here today that the creation of the complex polity that is the European Union has generally been subject to the process of "collusive delegation" and that the democratic deficit experienced by its citizens has been largely designed into its architecture rather than being an unfortunate by-product of agreements reached by its well-meaning political leaders and officials. While it appears to be in the nature of politicians and the political class generally to accrue as much power to themselves as possible and to tend to view any process of meaningful democratisation as conflicting with the highly valued objective of "political efficiency", in the case of the European Union I would argue that these natural political tendencies to limit popular democratic involvement have been significantly exacerbated by the growing commitment of its political leaders to transform the European Union into a dominant regional player in the emerging neo-liberal or free-market global economy, without being constrained by popular democratic opinion. Let me explain what I mean. In order to do this, I will have to look briefly at the process of neo-liberal economic globalisation, the parallel development of the EU, and finally the way in which the democratic deficit evident in the way the EU functions serves to advance this economic agenda within the Union, while minimising the possibility of popular democratic opposition.

As far as globalisation is concerned, while there may be divergent opinions amongst experts on the point at which the current process of globalisation actually began, few experts will argue with the fact that the creation of the international institutions such as the Bretton Woods institutions (the World Bank and the IMF) and what eventually became the World Trade Organisation following the second world war was a significant stage in the evolution of the neo-liberal global economy that is now emerging. While the founding rationale for these powerful international institutions was a benign one, it was through them that American free-market economic doctrine gradually became institutionalised and transmitted throughout the world. The combined impact of the lending policies of the World Bank, the Structural Adjustment policies of the IMF and the various trade international trade agreements negotiated through the WTO and its predecessor GATT have meant that formerly separate national economies are increasingly being fused into a single, integrated global free market economy where the rules are largely being dictated by the wealthier countries and multi-national corporations are being given optimal room for manoeuvre on the global stage, free from any meaningful form of international governance or regulation.

How does this relate to the development of the European Union, and in particular to its democratic deficit? A very brief overview of its development shows that the European Coal and Steel Community was set up in 1952 by six member states with the objective of putting the coal and steel sectors under supranational control, given their importance to the armaments industry and the desire to restrain Germany's ability to build up its military capacity. The European Community was then established in 1957 and the Common Market was established - a free trade area with its own customs union, which guaranteed free movement of goods, persons

and services. However, it was not until thirty years later and the introduction of the Single European Act in 1986 that I believe the European Community visibly began to shape itself in direct response to the imperatives of the process of neo-liberal economic globalisation that was in the ascendancy. The Single European Act essentially amounted to a significant political recommitment to the common market, (now called the single market, or the internal market). It involved a commitment to dismantle trade barriers between the states, harmonise their trade rules and introduce majority voting in new areas. The Single European Act was, in my opinion, a huge ideological project, driven to a large extent by Jacques Delors who worked closely with corporate representatives from the European Roundtable of Industrialists to hammer out the details of the Act. The Maastricht Treaty followed five years later in 1992. This Act established Economic and Monetary Union within the Community, set up a European Central Bank independent of political control and tied Member States in to a Growth and Stability Pact that essentially imposed conditions of budgetary restraint on them and obliged them to adhere to strict limits on public expenditure. It is important to point out that the sense of urgency or momentum which gave rise to the Single European Act also ensured that a new European treaty was ratified every five years after that, in the face of on the one hand, a poorly informed and increasingly apathetic general populace, and on the other hand increasingly effective pockets of what might be termed organised resistance to the EU project itself. Finally, the Amsterdam and Nice treaties that followed were, I would argue, to a large extent about facilitating the institutional reforms necessary to make decision-making within the EU more "efficient", and less prone to be hostage to the policy preferences of individual member states or their electorates.

What kind of Europe has this left us with, and how much have these developments contributed to the infamous democratic deficit of the EU? Well, I'd like to use three brief examples to highlight what I would consider clear manifestations of that democratic deficit, but all of them woven into the institutional design of the EU and essential to the promotion of the neo-liberal economic agenda within the Union. The first is the powerful role of the politically independent European Central Bank which controls economic and monetary policy within the Union. The ECB's establishment as part of the Maastricht Treaty was bitterly contested at the time, as Central Banks are typically features of fully-fledged states. The European Central Bank was given the power to introduce and manage the EU's economic and monetary policy and has been fully operating since 1998. Since it was established, its overriding policy priority has been to maintain price stability across the single market, as price stability is one of the key prescriptions of the neo-liberal economic policy agenda. The ECB's anti-inflationary mandate leaves little or no room for concerns about issues of growth and employment, despite the fact that these are, or should be, key policy concerns of member state governments. Furthermore, fiscal monitoring by the EU Commission of the Stability and Growth Pact seeks to limit to 3% of GDP states' capacity to run fiscal deficits, even when these might appear justified by the need to lift an economy out of recession. The central involvement of the ECB and the Commission in these key areas means that Economic and Monetary policy has truly been removed from beyond any real kind of democratic control. It is also worth mentioning that the Common Commercial policy as set out in the new EU Constitution makes a liberal market economy, maximization of economic competition, free movement of capital and the liberalisation of public services into constitutional principles that, if ratified, will be immune to legal challenge because of the superiority of EU law over national law. In effect, a commitment to the neo-liberal economic model will be enshrined in the constitution and regardless of what political shade of government is elected by the citizens of any member state, that government will be obliged to comply with the same neo-liberal economic prescriptions. Meaningful political choice will therefore become a thing of the past as governments of member states find themselves locked into a particular economic agenda, with little room for manoeuvre.

A second example of the way in which the EU's institutional arrangements appear to have been specifically designed in order to allow for the promotion of democratic deficit and the neo-liberal economic agenda is the exclusive responsibility that has been given to the European Commission in relation the initiation and negotiation of EU trade policy. The unelected Commission, whose members are appointed by the governments of member states, has no mandate whatsoever from the people and yet has the substantial power and responsibility of proposing and forming laws. The 1957 EEC treaty gave the Commission responsibility for trade policy or what was known as "commercial policy". The scope of the EU's commercial policy has broadened significantly since the early days of the European Economic Community from its original concentration on manufactured goods to almost every aspect of economic life. With the growing push towards economic liberalisation internationally, most sectors of domestic economies, many of which were traditionally the preserve of the State, can now be opened up to international trade and delivered on a commercial basis by privately owned multi-national companies. This in turn has put great pressure on the EU to expand its own definition of what falls within the remit. The Commission was initially given the power to conduct external negotiations within the WTO on behalf of member states in any policy area where it had internal competence and the Council of Ministers then voted by QMV to accept or reject the outcome of the negotiations. Through successive treaties the Commission has extended its competence, and the Treaty of Nice saw trade negotiations in the sensitive policy areas of Health, Education and Cultural/Audiovisual being the last areas to retain the protection of a national veto. The new Constitution will largely remove the existing power of veto on the commercialisation of Health, Education and Cultural services that Member States have in the Council of Ministers. It shifts decisions on trade in these services to QMV and only allows for exceptional circumstances in which states will be able to block the opening up and liberalisation of trade in these services. The burden of proof will rest with the State and it is difficult to imagine how states will manage to successfully protect these areas of their economies from liberalisation should they so wish.

No details of voting will be published so Irish citizens will not know how Irish representatives in the Council of Ministers voted. The European Commission will then have exclusive right to make agreements at the WTO which could liberalise international trade in these services and only inform the public after the deals have been done. Opening key public services such as Health and Education to trade means restructuring them so that they can be run on a commercial basis. The upshot is that infrastructure like schools and hospitals will be privately provided at a high cost to the state and to the taxpayer. And two-tier services emerge - private and high quality services for those who can afford it; and low quality state services for those who cannot. And this will happen regardless of the support or otherwise of the voting public. The European Parliament has had no role whatsoever to date in approving or making amendments to trade agreements being negotiated by the EU, despite the fact that the US Congress has quite significant powers in this regard. The realm of trade policy within the EU is clearly not subject to any kind of satisfactory level of democratic control.

The final example I want to use of the democratic deficit in the EU and the way in which this serves to promote the neo-liberal economic agenda is the way in which its institutions generally function. I don't have time to deal with this in any great detail but suffice it to say that the unelected and powerful Commission, which has been described as "part civil service, part government" has the jealously guarded the right to initiate legislation. It implements community policy, manages the EU budget, conducts external relations on behalf of the European Union and is widely regarded as the "guardian" of the euro federal ideal. Dinan describes it as a "strategic authority established by the founding fathers to guarantee continuity of the integration project despite the political or geopolitical hazards". While this may explain the unusual powers given to such an unelected body by the early architects of the EU, the extent to which the Commission as

abody appears to have become an ideological champion of neo-liberal economic policies, without reference to the ordinary people of Europe or their ideological preferences, must now be a matter for concern. Charlie Mc Creevey's recent appointment as EU Commissioner for Internal Affairs highlighted yet again this particular issue. It is widely believed that Mc Creevey's right-wing, neo-liberal economic policies as Minister for Finance here in Ireland, caused him to become a liability for the Fianna Fail party and contributed to their poor recent election performance. And what happened? He was jettisoned by Fianna Fail in order to improve its domestic electoral prospects but instead was appointed to a very powerful position within the Commission where he will have an opportunity to continue to implement his economic policies in a broader political sphere, but beyond the reach of any electorate. The recent appointment of Mandelson and Barroso to the Commission makes its strong neo-liberal bias very explicit.

As to other institutions, the Council of Ministers appears to be both executive and part legislature, to date has met behind closed doors and the results of its discussions are not readily publicly available. The directly elected European Parliament, the only institution with Europe-wide legitimacy, finds itself excluded from critical legislative and policy decisions that affect the whole of Europe, although its powers have gradually been increased over the last number of EU treaties. Finally the European Council has to be the most undemocratic institution of the Union. It is composed of the Heads of State of all of the member states - 25 in all at present. It evolved from originally being a rather informal gathering of Heads of State to discuss issues pertaining to the Union to an institution that now has legal status within the treaties. This is an extremely powerful body to which matters are often referred for resolution that cannot be resolved by the Council of Ministers. It gives overall policy direction to the Union and has formal power over all fields of external relations. It is the body that agreed to adopt the Lisbon Agenda that sets out the broad parameters of the neo-liberal direction in which the Union intends to continue developing. However, despite its power, the European Council is not subject to any discipline or procedures within the Union. It does not have to consult with any particular bodies or receive an opinion from anyone. While the individual Heads of State are accountable to their own electorates at home, the European Council as a body is not answerable to anyone in the European context.

I will have to finish shortly but am aware that there will be some listening to me who will find it hard to recognise the European Union they support in the rather negative caricature that I have presented. Ivana Bacik spoke with me at this summer school last year, and she, like other Labour Party representatives, is a strong believer in a Social Europe. Unfortunately I don't have time to seriously challenge that viewpoint but fortunately Andy Storey has written an excellent paper on the subject which he has called "[The European Project : Dismantling Social Democracy, Globalising Neo-liberalism](#)". In it he refers to Apeldoorn's work which traces the historical trajectory of European regionalism and suggests that the European Project was originally based on a neo-mercantilist vision of a strong European home market, serving as both a stepping stone to conquer the world market as well as a protective shield against outside competition. He proposes that under the protective banner of the neo-mercantilist framework, social democrats envisaged a united Europe (as offering) an opportunity to protect the European model of society "and its traditions of the mixed economy and high levels of social protection, against the potentially destructive forces of globalisation and neo-liberalism" (van Apeldoorn, 2001; 76). However, he contends that the vision was not realised and as the internal barriers came down no external barriers were erected and the Internal market provided as much opportunity for US and Japanese as for European firms. It is impossible to deny, however, that the strong social democratic political traditions of many of the continental European countries have greatly influenced the emergence of progressive social, employment and environmental policymaking within the European Union. Those who choose to focus on these positive aspects of the Union are often reluctant to acknowledge that the political and economic dynamics of the Union have been

shifting significantly over the past two decades and that the somewhat idealised Social Model of the EU is being gradually undermined.

So, drawing towards the end of my presentation, I suppose the overriding question that needs to be answered is "how do we democratise the EU". I have no magic answers but would just like to point out that any concessions towards greater democratisation that have been made by those driving the process of European integration have been a direct response to public displays of opposition to the process itself. The first Danish rejection of the Maastricht Treaty, the narrow margin of success of the French vote on the same treaty and the first Irish rejection of the Nice Treaty have served as important wake up calls to those who continue to push for more and deeper integration. Critical engagement, resistance and opposition to the more unacceptable aspects of the current process of EU integration are important and as a Green Party councillor, I take great pride in the role that my party has played in critiquing the direction in which the European project has been developing over the past two decades. If there are any ardent Euro enthusiasts in the audience, I'm sure I run the risk of being written off as an out- and- out Eurosceptic who is deliberately distorting an account of the development of the EU in order to support a particular ideological position. It is unfortunate that there only appear to be two positions that one can take when it comes to any kind of debate about European integration - for or against the current model of integration. This kind of crude simplification leaves no room for the growing body of intelligent and engaged citizens who passionately want to believe in a positive and politically progressive Europe, a democratic and globally engaged Europe, a Europe which can provide global leadership in relation to sustainable development, social and environmental protection, human rights, migration, international conflict resolution, fair trade, but these same people have deep concerns about issues such as the economic policies of the EU, its Common Foreign and Security policy, its policies on Immigration and the continuing democratic deficit which characterises its institutions.

The forging of a new economic and political entity that binds together, in close co-operation, countries that have formerly been at war with one another is a very ambitious undertaking. If successful in the long run, this model can serve as a regional model of peaceful political and economic co-operation between states that can set an example for the rest of the world. However for anyone who considers themselves a democrat, the future of this new polity cannot just be left to the politicians and the technocrats. It is our democracy, and essentially our ability to determine our own future that is being transformed and changed in the process of creating this new polity. If we value it enough, we will fight very hard to make sure that the new political entity being created offers us the same, and even an enhanced level of democracy to that which we have already experienced. If we tolerate anything less, the entire basis of the European project is fatally flawed.

Thank you for listening and I look forward to your questions.

At this point I am now going to draw on the very excellent paper delivered by Andy Storey at a seminar in Maynooth earlier this year, entitled "[The European Project: Dismantling Social Democracy](#)".