

“DEMOCRACY IN EUROPE LOOKING FURTHER AHEAD” (S. GOULARD AND M. MONTI)

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In their book *Democracy in Europe - Looking further ahead*, Sylvie Goulard and Mario Monti call for a democracy by the people and for the people. They analyse the current situation in the European Union and look “further ahead”. Valentin Kreilinger synthesises the four main topics of institutional nature addressed in the book: the role of the heads of state and government, the job of “rethinking the Economic and Monetary Union”, the issue of differentiation and the parliamentary control¹.

Introduction

Mario Monti, at the top of the Italian Government for the past year and a former European Commissioner, and Sylvie Goulard, former president of the *European Movement - France* and now a member of the European Parliament, echo the title of **Alexis de Tocqueville**’s *Democracy in America* and refer to the work throughout their essay entitled ***Democracy in Europe. Looking further ahead***.

Referring to the present circumstances of the European Union, the two authors stress that “some people may argue that the immediate priority is not to strengthen democracy [...] but to emerge from the crisis”² (p. 8). The authors believe, on the contrary, that **“democracy is not just a value in and of itself, it is also the precondition for sustainable action”** (p. 8).

Divided into five chapters, the book begins by tackling “false perceptions” (Chapter 1), then it explores the distinction made by German scholar Fritz Scharpf between democracy *by the people* (Chapter 2) and *for the people* (Chapter 3), it goes on to discuss public spirit (Chapter 4) and the political system (Chapter 5), and it concludes by suggesting “ways forward for the future” and regarding a number of ideas which the authors consider to be most important.

This review confines itself to summarising the book through **four main themes** of an institutional nature: 1. The role of the **heads of state and government**; 2. The job of “**rethinking the Economic and Monetary Union**”; 3. The issue of **differentiation**; and 4. **Parliamentary control**.

1. The role of the heads of state and government

The authors note that there has been a fully-fledged **change in the role of the European Council**, in legal terms since it became an institution when the Lisbon Treaty entered into force, and also in practical terms in connection with the crisis of the euro zone: “[f]ar from simply providing ‘impetus’, the heads of state and government leaders have been taking crucial decisions for member states in difficulty, providing bailout funds, establishing social, economic and budgetary offsets, thrashing out terms with private creditors for ‘voluntarily’ abandoning the debt and so forth” (p. 74).

The risk of a **rift** occurring in this institution, however, still gives cause for concern. The member states with the best ratings from the rating agencies are now in a position of strength. A gap between these countries (in 2011 Finnish Minister Alexander Stubb even referred to a “core” consisting of the **countries with Triple A rating** in the euro zone) and the “**Southern**” member states would mark a “dangerous slide [...] into what we have called a ‘creditocracy’” (p. 78-79).

Each country can defend its vital interests because the European Council generally tends to decide by consensus, though “in the long run, in a more complete system, **unanimity should of course be totally eliminated**” (p. 207). However – citing the example of the European Council meeting on 28 and 29 June 2012 – “it can be fairly useful when a government leader presses for a decision to be made which goes in the direction of the general interest but which other partners are attempting to obstruct. In such cases, the power of veto can be used ‘in reverse’, so

to speak, in order to force Europe into taking action" (p. 206). The authors are clearly alluding here to the opposition displayed by Italy (Mario Monti) and by Spain (Mariano Rajoy) to the Pact for Growth and Employment, a pact in principle in both countries' interest, but which was also concluded in return for vote in favour of the Fiscal Compact (TSCG) and of the ESM by the German opposition in the *Bundestag* the next day. We should remember that, even though the "Pact for Growth and Employment" and the possibility for the ESM and EFSF to directly recapitalise banks under certain conditions have been approved in the end, member states have not interpreted this compromise in the same way.

Lastly, the two authors suggest two moves to **improve the functioning of the European Council, by:**

- **involving the European Parliament more closely** "in the exercise being conducted by Herman Van Rompuy" (p. 230);
- "[d]rafting and adopting a code of conduct [for heads of state and government] laying down **rules governing the communication** of the European Council's decisions" (p. 230).

The major question arising in the view of S. Goulard and M. Monti is this: "**[A]re we going to carry on with a rationale based on coordinating national decisions? Or are we going to move towards common - or at least far more interlocking - economic, budgetary and social policies requiring a form of political responsibility at the European level?**" (pp. 76-77).

2. "Rethinking the Economic and Monetary Union"

The idea of prosperity, of "**living better**", lies at the very heart of European construction. Thus, for instance, the preamble to the Treaty of Rome (1957) talks about a "*constant improvement in living and working conditions*" (p. 98). Despite the size of the European budget, which accounts for 1% of GDP, "*those who [...] fear that the European Union may 'turn' into a 'transfer union' ('Transferunion') overlook the fact that it is in fact already just that*" (p. 118). The Common Agricultural Policy, structural funds and research programmes prove that fact abundantly.

S. Goulard and M. Monti feel that the "Six-Pack" and the Fiscal Compact (TSCG) are likely to provide some solutions thanks to their stringent rules, but they propose going even further, in particular with:

- "*the intervention of the Court of Justice [which] was initially considered*" (p. 117), but then hardly, or only minimally, included in the Fiscal Compact (TSCG);
- "*ex ante supervision of national budgets by the European Commission*" as provided for under the "Two-Pack" which is currently being negotiated by the European Parliament and the member states.

The authors welcome both the exercise currently being conducted (the report entitled "**Towards a genuine Economic and Monetary Union**") which President Herman Van Rompuy is due to submit in December 2012 (see p. 16), and the decisions reached by the European Council on 28 and 29 June 2012. "*An increase in national wealth is of considerable help*" in assisting member states to **meet their commitments** in terms of bringing down their deficit (and their debt), with **growth** playing a major role.

3. The issue of differentiation

The nature of the euro zone (comprising the 17 countries that have adopted the euro as their currency, out of the EU's total of 27 member states) highlights the issue of what has been called a "two-speed Europe", yet that expression does not appear in the book.

In connection with this theme, there are two traits that characterise the position adopted by Sylvie Goulard and Mario Monti. They argue that **the unity of the 27-strong Europe is crucial** in order to protect everyone's prosperity, but that at the same time "**a kind of right to self-determination for the euro zone deserves to be acknowledged**" (p. 196)

Thus the authors stress that:

- the idea of a treasury for the euro zone, as proposed by Jean-Claude Trichet, is worth exploring;
- Protocol 14 in the treaties setting up the "Eurogroup" states that the group exists "pending the euro becoming the currency of all of the Union's member states" (p. 197) ;
- it is difficult "*to explain to the citizens in the euro zone [...] that the European Parliament's economic and monetary committee can ever be sustainably chaired by a Briton; and this, completely regardless of her own personal qualities*" (p. 198).

In the medium term, therefore, it is to be hoped that the euro zone can get equipped with its own institutions, on condition that there is appropriate parliamentary control³. The European Parliament, of which Sylvie Goulard has been a member since 2009, is

not fully involved in the work because its President, Martin Schulz, is not one of the four presidents tasked with putting together the report entitled "Towards a genuine Economic and Monetary Union". Nevertheless, the European Parliament is possibly the most central institution in the debate on parliamentary control of the euro zone.

4. Parliamentary control

In the view of Sylvie Goulard and Mario Monti, *"the most complex question, [...], is to ensure that this [Economic and Monetary Union] executive does not end up like a tiny canary on its perch, swinging over a void, but that it has both services and resources available to it, and even more importantly, that it reports to a parliamentary assembly"* (p. 197).

The need for increased parliamentary supervision is clear (in particular, on account of the "Six-Pack" and of the European semester), but the idea of **strengthening the national parliaments' role "seems dangerous"** (p. 8), because:

- it *"fuels divergence"* (p. 8). It is perfectly legitimate for national commitments, in particular with the regard to the EFSF/ESM, to be supervised by national parliaments, but that kind of control is insufficient and the fact that these funds are not subject to the Court of Auditors or to the anti-fraud authorities is *"a serious cause for concern"* (p. 188);
- governments need to have a certain amount of *"room for manoeuvre"* (p. 76) during negotiations in the European Council;
- *"it is not desirable"* (p. 189) that a national parliament were to be privileged the way the *Bundestag* was, when the European Council meeting was interrupted in October 2011;
- the hypothesis of a clash between two national parliaments cannot be ruled out;
- new institutions - comprising both European and national parliamentarians - are in danger of turning into *"a labyrinthine system"* (p. 121); this, because Article 13 of the Fiscal Compact (TSCG) raises questions regarding the purpose and makeup of this "conference" comprising 12, 17 or 25 countries (p. 189-190).

In order to resolve the problem of parliamentary control, the authors propose setting up **a euro zone parliament within the European Parliament**, an

idea which *"would make it possible both to maintain the unity of the twenty-seven and to meet the requirements of the seventeen; and this, without excluding anyone or incurring needless costs"* (p. 199-200). Parliamentarians from member states not in the euro zone would have an observer's role, and in its plenary sessions the European Parliament would have two groups *"one embedded in the other"* (p. 200). In the authors' view, *"[th]e same kind of reasoning could be applied [...] to the college of Commissioners"* (p. 200).

Based on their own experience, S. Goulard and M. Monti also point to the **influence of the European Parliament**, but they feel that *"the people of Europe suffer during elections and referendums from a distinction based on birth, just as they did under the Ancien Régime; they do not vote on a 'one man one vote' basis but on an ordered basis enclosed within their nation of origin, and indeed natio (nation) and natus (born) come from the same Latin root"* (p. 54).

Lastly, the authors recommend envisaging **modalities for treaty revision**, first and foremost with respect to the ratification process, so as to get around the *"deadlock of unanimity"* (p. 233). In addition, a process for revising the treaties should be considered in order to *"give competitiveness back its job of fighting inequality"* and to *"allow democracy to emerge across borders"* (p. 235).

Conclusion

Sylvie Goulard and Mario Monti observe that **"Europe is still not off the hook"** (p. 15) and that *"the future is open"* (p. 15). In this book entitled *"Democracy in Europe"* they attempt to *"look further ahead"*, as the subheading suggests.

Their proposals for improving the functioning of the European Council, for going even further down the path of *"rethinking the Economic and Monetary Union"*, for managing differentiation and for setting up a form of parliamentary control not to be entrusted to national parliaments, all **go beyond the current consensus**. The two authors adopt a position in the emerging debate and they address **the major questions facing the European Union in the years to come**.

The four cross-cutting themes which have been chosen for this summary do not touch on the

philosophical framework of the book, which refers to thinkers such as Alexis de Tocqueville, Jürgen Habermas and Pierre Rosanvallon, among others. It is their rereading of de Tocqueville that prompts S. Goulard and M. Monti to voice the hope that the European Union may achieve democracy *by the people*, with Europe's leaders being chosen by the citizens, and democracy *for the people*, a democracy that helps to further the prosperity of all, and to argue that "[the] crucial thing is that democracy no longer be sacrificed" (p. 22).



Sylvie Goulard et Mario Monti, *De la démocratie en Europe*. Voir plus loin, Paris : Flammarion, 2012.

1. The views expressed in the book are not necessarily those of *Notre Europe - Jacques Delors Institute*.
2. Since the book has not been translated into English yet, all translations of citations have been made by the translator of this synthesis.
3. See part 4 of this synthesis.

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