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**EUSA
REVIEW**

EUSA Review Forum

Is the EU Democratic, and Does it Matter?

THIS FORUM ORIGINALLY CAME IN the form of a roundtable I organized at the American Political Science Association meetings in Philadelphia (August 2003) in an attempt to bring together a wide range of views on the democratic challenges facing the EU. Amitai Etzioni questioned the sustainability of the EU if it did not become a truly supranational political entity. Philippe Schmitter insisted that the democratic deficit problems were real, and most pressing at the national level. I followed up on this, arguing that were the EU to be appropriately understood as a regional state, it would be clear that democratic legitimacy is much less of a problem at the EU level than at the national. Fritz Scharpf concluded by showing that one's view of the democratic deficit depends upon whether one looks at the EU's institutional functioning or its problem-solving ability. The panel generated a lively debate, and the audience was not disappointed. I trust that *EUSA Review* readers will not be either.

— Vivien Schmidt, *Forum Guest Editor*

The EU as Test Case of Halfway Supranationality Amitai Etzioni

GIVEN THAT FULL INTEGRATION OF even two nations into one polity is very difficult to achieve, and limited supranationality is woefully insufficient, one is bound to ask: can “halfway” integration suffice? I define *halfway integration* as giving the nations involved nearly full autonomy in some important matters while providing nearly full control to a supranational authority on other important matters.

The findings reported in my book *Political Unification Revisited* show that two of four attempts to form supranational states, the United Arab Republic and the Federation of the West Indies, did not develop the capabilities that my theoretical scheme suggested are needed for such an integration to be stable. As expected, both collapsed in short order. The third attempt, the Nordic Council, developed only low integrative capabilities but survived by doing little transnational work, leaving high autonomy to the member nations in practically all matters.

The fourth case, and by far the most relevant one for the issue at hand, the European Coal and Steel Community and the European Union (EU) that evolved out of it, provides the

most telling experiment. The EU is trying to largely integrate the economies of the different nations involved, but so far has allowed them to maintain political independence.

I suggest that *halfway integration cannot be stabilized*. The basic reason halfway, mainly economic, integration is not sustainable is that the libertarian model is erroneous. Society is not composed of individuals seeking to maximize their pleasure or profit, nor are markets self-controlling (guided by an invisible hand). People are not merely traders and consumers but also citizens whose sense of self is involved in their nation. Hence, when economic integration that benefits their pocketbook threatens their national identity, people will tend to balk. Furthermore, in free societies, major economic policy decisions must be made in line with a nation's values and politically worked-out consensus—or by other institutions that have acquired the legitimacy previously commanded by the national institutions. Otherwise the sense of alienation will increase to a level that will endanger the sustainability of the regime.

Moreover, communities have shared bonds of commitment that make members care about one another and be willing to suffer for them, make sacrifices they would not dream of making for non-members.

The argument advanced here is not that the EU is not politically integrated at all. After all, there is a European Parliament, a Commission, a Council of Ministers, a European flag, and some other shared symbols. However, the power of these institutions and symbols is very limited compared to the national ones, by practically any measure. The European Parliament is weak compared to the far-from-powerful national ones; the Commission is weak compared to the national governments; and the European flag evokes little sentiment among most people. That is, they do not meet the important crowning criterion of supranationality—that the supranational layer be stronger than the national one.

Also important is that these European bodies are largely international ones and not truly supranational ones. The Commission is composed of national representatives. Although, theoretically, the transnational parties of the Parliament represent like-minded Europeans across national lines regarding European issues, in reality these parties are largely controlled by the national parties that compose them. In short, while there is a measure of political integration, it is much lower than the level of economic integration. And, while economic integration

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is growing, political integration may regress, as the size and heterogeneity of the EU is about to be enlarged.

Several European leaders hold that the best way to achieve fuller integration is not to construct a supranational political authority, say, through a constitutional assembly of the kind that preceded the formation of the United States, but to increase economic integration. This, it is said, would lead numerous groups within each nation to realize that their interests have become supranational and hence gradually to shift their lobbying, politicking, and loyalties to the supranational union. This in turn would pressure the EU to develop more EU-wide political powers to work out these differences, which in turn would build the legitimacy of an EU government. Call it a syndicalist integration leading to a full-fledged supranational one. The idea is, instead of a frontal attack and a bold attempt to jump from many nations into a United States of Europe, allow processes to unfold gradually, according people time to adjust to the new supra-national realities and for their new loyalties to evolve.

The fact is, though, that such a syndicalist integration is occurring only to a limited degree. Most times, farmers, workers, and businesses find it more effective to lobby their national governments for special considerations (farm subsidies, for instance) than to lobby the EU Commission and Parliament.

The continued high level of national rather than syndicalist commitments was dramatized in the year 2000, when the EU leaders met to reconsider the unanimity rule. The difficult negotiations were about how many votes each nation would be allotted—not each European party. Moreover, the political integration scenario based on syndicalist integration ignores the fact that by itself syndicalization cannot provide the needed core of shared values, legitimacy, and consensus building.

Last but not least, for a sociologist, the notion that a union would move at the same time to greatly expand its membership (and in the process the heterogeneity of its members) and introduce a constitution that moves from nation-protecting unanimity to majority rule, is to maximize friction and minimize the chance for success.

All said and done, it is my hypothesis that halfway integration cannot be sustained and that the EU will either have to move to a high level of supranationality or fall back to a lower one.

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The European Union is Not Democratic—So What? **Philippe C. Schmitter**

WHY SHOULD EUROPEANS CARE THAT “their” Union is not democratic and that “their” recently drafted constitutional treaty is not going to change that situation very much? Intergovernmental organizations are not supposed to function democratically. Indeed, they are all much less democratic than the EU. Moreover, there is not much evidence that many Europeans care about this state of affairs. The so-called “democratic deficit” is largely

a creation of academics and intellectuals. We have just seen during the “Convention on the Future of Europe” that ordinary citizens did not seem to be willing to devote much attention to the prospect of constitutionalizing, much less of democratizing EU institutions.

The primary reason for a concern with Euro-democratization is simple: far more than any other arrangement for policy-making between sovereign national states, the EU has had a major—if not always recognized—impact on the practice of domestic democracy within its member-states. The expanding scope of its policy tasks and the more modest, but still significant, increment in its supra-national authority may have passed for some time largely unperceived by mass publics, but that “permissive consensus” has ended. Since the signing of the Single European Act and, especially since the contentious ratification of the Maastricht Treaty, wider publics have become *politicized* with regard to the EU. For the first time, “European issues” have forced their way onto the agenda of national politics, and domestic politicians can lose and gain votes as a result of the positions they have taken in Bruxelles. The new cleavages generated by “more vs. less” Europe seem to be cutting across traditional cleavages established by class, religion and geographic location and, thereby, undermining the coherence of domestic political parties and party systems. Even more surprisingly, an overwhelming proportion of prominent national politicians irrespective of parties have tended to support EU initiatives (except in Great Britain), but they have found themselves increasingly disavowed by their previously obedient followers. Politicization, in other words, has tended to disfavor rather than favor further extensions of the integration process.

The fact, as we have noted above, that the EU is not itself a practicing democracy raises the *a priori* likelihood that its impact upon “domestic democracy” will be negative—not so much in undermining democracy as such, but in gradually diminishing “the accountability of rulers to citizens acting indirectly through the competition and cooperation of their representatives.”

The impact of the non-democratization of Europe upon democracy in Europe is still a process—not (yet) an outcome. It has changed, albeit sporadically, with shifts in the functional content of the integration process and expansions in the *compétences* of European institutions. Moreover, those institutions themselves are not yet close to having consolidated a stable and legitimate set of rules, *pace* the efforts of the Convention. Even in retrospect, it is difficult to point to a distinctive—much less a definitive—contribution, since the net effect of supra-national governance seems to complement (and, probably, to enhance) trends that were already affecting domestic democracies. Indeed, the emerging Euro-Polity might best be interpreted as an exaggerated version of both the positive and negative features of “post-modern,” “post-national,” “post-statist,” and “post-liberal” democracy in Europe.

But can this “transitional” situation endure indefinitely? In a book entitled *How to Democratize the European Union ... and Why Bother?* (Lanham, MD: Rowman & Littlefield, 2000). I have argued that there are at least two good reasons why it may be timely to begin experimenting with continental democracy

sooner rather than later:

(1) There is considerable evidence that rules and practices of democracy at the national level have become increasingly contested by citizens. This has not (yet) taken the form of rebellious or even “unconventional” behavior, but what Gramsci once called “symptoms of morbidity” such as greater electoral abstention, decline in party identification, more frequent turnover in office and rejection of the party in power, lower prestige of politicians and higher unpopularity of chief executives, increased tax evasion and higher rates of litigation against authorities, and skyrocketing accusations of official corruption. It would be overly dramatic to label this “a general crisis of legitimacy,” or to attribute responsibility for it to the European Union, but something isn’t going well—and most national politicians know it.

(2) There is even more compelling evidence that individuals and groups within the European Union have become aware of how much its regulations and directives are affecting their daily lives, and that they consider these decisions to have been taken in a remote, secretive, unintelligible and unaccountable fashion. Europeans feel themselves, rightly or wrongly, at the mercy of a process of integration that they do not understand and certainly do not control—however much they may enjoy its material benefits. Again, it would be over-dramatizing the issue to call this “a crisis of legitimacy” but the “permissive consensus” that accompanied European integration in its early stages is much less reliable—and supranational officials know it.

These two trends are probably related causally. Together they create a potentially serious *double bind* for the future of democracy in Europe. If, on balance, the shift of functions to and the increase in supranational authority of the EU have been contributing to a decline in the legitimacy of “domestic democracy” by calling into question whether national officials are still capable of responding to the demands of their citizenry, and if the institutions of the EU have yet to acquire a reputation for accountability to these very same citizens when aggregated at the supranational level, then, democracy as such in this part of the world could be in double jeopardy. Admittedly, the grip of this bind is still loose, but it is tightening. The national “morbidity symptoms” show no sign of abating; the supranational “permissive consensus” shows abundant signs of waning. Between the two, there is still space for the introduction of democratic reforms, but who will be willing (and able) to take advantage of the rather unusual political space formed by monetary unification and east-ern enlargement (not to mention, the increasingly skewed outcome of Euro-elections) is by no means clear. The potentiality exists for acting preemptively before the situation reaches a crisis stage and before the compulsion to do something becomes so strong that politicians may overreact, but will it be exploited? One might have hoped that the “Convention on the Future of Europe” would have done so, but its resulting draft is far too limited and weak to make much difference. It looks to this observer that an important opportunity has been missed and I would not be surprised if European citizens, if and when they are called upon to ratify the eventual “constitutional treaty,” will end up rejecting it or, more likely, finding it so insignificant an

improvement on the *status quo* that they will simply not bother to vote.

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Democratic Challenges for the EU as “Regional State” **Vivien Schmidt**

TO THINK COGENTLY ABOUT THE democratic challenges to the European Union, we need first to decide what the EU is. Otherwise, we are likely to fall back on comparing the EU to the nation-state, which causes problems for everyone. For the pro-Europeans, the EU will always be found wanting in power and democracy when compared to the nation-state. For the Euro-sceptics, such a comparison raises the red flags of “federalism” and “superstate.” For most everyone else, it confuses the issues, since we are left discussing what the EU is not.

I propose a better way of thinking about the EU, as a regional state. By this I mean that the EU is best understood as a regional union of nation-states in which the creative tension between the Union and its member-states ensures both ever-increasing regional integration and ever-continuing national differentiation. As a result, the EU is and will continue to be characterized by shared sovereignty, variable boundaries, a composite identity, compound governance institutions, and fragmented democracy—in which legitimacy is as much if not more of a problem at the national level than at the EU level.

Unlike any nation-state, the EU’s sovereignty is shared with its constituent members. As such, it is dependent upon internal acceptance by EU member-states as well as on external recognition by other nation-states, policy area by policy area. On these bases, the EU has already been accepted and recognized as a sovereign region in international trade and competition policy but certainly not yet in defense and security policy.

The EU’s boundaries are more variable than those of any nation-state. Its borders are not as yet fixed with regard to geography—will Turkey be included? but then what about Russia? And its policy reach is asymmetrical—Schengen border controls, European Monetary Union, European Defense and Security Policy all differ in EU member-state participation.

The EU’s identity is more composite than that of any nation-state. This is not only because Europeans identify much less with Europe than with their nation or even sub-national region. It is also because they imagine Europe through a plurality of national lenses.

The EU’s governance system is more compound than that of any nation-state. Although the EU looks something like a federal nation-state, its member-states have much greater independent powers than the sub-federal units of any national government while its decision-making processes are much more complicated as a result of the EU’s greater multiplicity of actors and points of interest access. Moreover, the EU’s politics looks nothing like that of any nation-state, not only because there are no EU-wide elections for an EU leader, but also because there is very little real partisan politics at the EU level, with the little there

is submerged by the emphasis on consensus and compromise.

In this system, democracy is more fragmented than that of any nation-state. Instead of having a central government by, of, and for the people—through political participation, electoral representation, and governing effectiveness—as well as what I call government with the people—through interest consultation—the EU level emphasizes governance for and with the people while leaving to the national level government by and of the people.

All of this together makes for big questions with regard to the EU's democratic legitimacy, especially if the point of comparison is the nation-state. However, when the EU is considered as a regional state, in which democracy is understood as an amalgam of the national and supranational, the EU's legitimacy problems diminish.

Most importantly, the EU's "federal" checks and balances, its voting rules requiring supermajorities or unanimity, its elaborate interest intermediation process with the people, and its consensus politics go very far toward safeguarding minority rights against the dangers of majority rule by the people (Scharpf, this issue). By the same token, however, those very checks and balances can sometimes undermine governing effectiveness for the people, given that the very rules that are ordinarily instituted with difficulty are even more difficult to change. The lack of an EU level government of the people elected by the people makes impossible the kind of activating political consensus which can reverse even the most hidebound of rules in any nation-state (Scharpf, this issue).

This absence of EU "politics" causes even more serious problems for member-states' democracies. Because member-state citizens lack a system in which they can "throw the scoundrels out" at the EU level, national politics take the heat for EU problems. National politicians often find themselves held accountable for policies for which they may not be responsible, over which they may have little control, and to which they may not even be politically committed.

Elsewhere, I have argued that the real democratic deficit is at the national level. This is so not only because national practices have changed—as the focus of governing activity has moved up while political activity has been submerged—but also because national ideas about democracy have not (Financial Times, August 11, 2003). The problem is that national leaders continue to project traditional nation-state visions of democracy—as if nothing has changed, although everything has—while generally leaving the EU vague and undefined.

Politicians have understandably been loathe to expend their limited political resources on the EU, since it has been so much easier to blame the EU for unpopular policies and to take credit for popular policies without mentioning the EU. And what politician, after all, would want to admit to having lost power, control, or political direction? But this leaves national citizens more susceptible to those on the political extremes who do speak to these issues as they inveigh against the losses of sovereignty and identity or the threats to the welfare state.

The best way for national leaders to deal with the national democratic deficit is to engage in discourse and public deliberation that recognize the EU for what it is, a regional state,

as they address the changes in national democracy directly. In light of the need to ratify any Constitutional Treaty that comes out of the current IGC, such discourse and deliberation is of the essence. Without this, the outcomes of national referenda on the Constitutional Treaty could likely replicate those of the recent Swedish referendum on the euro.

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The European Democratic Deficit: Contested Definitions or Diverse Domains? Fritz W. Scharpf

THE ALLEGED EUROPEAN DEMOCRATIC DEFICIT remains a controversial subject in academic discussion and public debates. One reason could be normative disagreement. "Democracy" is a contested concept, associated with diverse ideal requirements and real-world institutions and practices. But that is not the only explanation. Given the complexity of the object of evaluation, it seems likely that different evaluators—like the proverbial blind men describing an elephant—may be looking at different domains of European democracy, and their seemingly contradictory evaluations might each be valid for the field on which they have chosen to focus. This is the hunch I will follow here.

In order to partition the overall terrain, I will rely on two distinctions. First, discussions of a European democratic deficit may focus either on the EU level or on the impact of Europeanization on democracy at the national level. Second, the assessment of democratic performance (whether input- or output-oriented) may focus either on safeguards against the abuse of governing powers or on the responsiveness of government problem-solving. If these distinctions are combined, they identify four problem areas on which authors might concentrate. While all of them are clearly relevant for discussions of the European democratic deficit, their specific problématiques differ significantly, and there is no reason to expect identical conclusions in all of them.

The most sanguine view is held by authors considering the impact of the EU on safeguards against the abuse of national governing powers. There is no question that the Copenhagen conditions for Eastern enlargement had beneficial effects on the treatment of minorities, the rule of law and the effectiveness of public administration in the candidate states. Moreover, as Joseph Weiler has emphasized, under the supremacy of European law, legislators, judges and administrators in present member states have learned to respect European legal constraints reflecting the interests of their neighbors and the concerns of strangers in their midst. Given the evident "rightness" of such changes, it is not surprising that authors focusing on the potential abuse of national powers will emphasize the democratic surplus generated by European rules, rather than any deficits in their genesis.

Conclusions are similarly positive among authors like Andrew Moravcsik who are focusing on the EU's capacity to restrain the arbitrary and potentially corrupt exercise of its own powers. Since checks and balances in the (continued on p.6) (continued from p.5) EU exceed the most extreme constraints imposed in national systems by consociational or consensus

democracy, federalism, and reduced fiscal competencies, there is indeed no reason to fear a totalitarian European superstate.

Democracy, however, is not merely about preventing the abuse of state power, but also about ensuring its responsiveness to the needs and demands of constituencies. Thus institutions that prevent tyranny by also preventing effective problem-solving will produce deficits of output-oriented democratic legitimacy. That is not a problem where the European Central Bank, the Commission and the Court of Justice are able to act unilaterally. But otherwise effective European action depends on broad agreement among the Commission, the Parliament and national governments. When the stakes are high, it is easily blocked by politically salient conflicts of interest or normative preferences among member-state governments or constituencies.

The obvious remedy, switching to majority voting in the Council, is not available for the most glaring problem-solving deficits—the lack of an effective common foreign and security policy, the inability to harmonize the taxation of mobile capital or to relocate subsidies from present beneficiary countries to the poorer new member states and, more fundamentally, the absence of common fiscal, economic, employment and social policies that would match the perfectionism of European market integration. Yet if majority votes were able to override national opposition on these politically most salient issues, the lack of input-oriented democratic legitimacy could easily undermine past achievements of political integration in the European Union.

If that is so, national governments are left to cope with the problems the Union cannot deal with. But they must do so under the increasingly tight constraints imposed by European economic and legal integration. These may arise even from legislation that was originally adopted with the agreement of all national governments in the Council of Ministers. But once they are in place, European rules are protected against amendment or abolition by the same checks and balances which had ensured their consensual adoption. Hence when circumstances or preferences should change, neither the Union nor individual governments could respond to political dissatisfaction or violent protest. This lack of responsiveness may significantly contribute to democratic deficits at national levels.

Moreover, the most constraining rules of European law are not even originally supported by intergovernmental agreement. They are the product of unilateral action by the Commission and the European Court of Justice, based on their interpretation of tersely worded clauses in the original Treaties. These interpretations—which could only be reversed by Treaty amendments that need to be adopted unanimously and ratified in all member states—have extended the requirements of economic integration and liberalization far beyond the limits of political consensus in many member states, and they have severely limited the capacity of national governments to respond to the urgent demands of their constituencies.

The controversial literature on the European democratic deficit makes more sense if one distinguishes among its different domains. Issues of democratic legitimacy are nearly irrelevant for authors focusing on the normative constraints which

European law imposes on oppressive or discriminatory national policies. Similarly, fears that the EU itself might develop into an oppressive superstate are dispelled by the high consensus requirements of EU legislation. By the same token, however, the EU's output legitimacy is limited by its incapacity to act in the face of politically salient conflicts among member states. At the same time, the ability of national governments to respond to politically salient problems is narrowly constrained by European law. As a consequence, the European democratic deficit is most manifest at the national level.

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