

# Politicizing Europe, Europeanizing Politics

*by Stéphanie Hennette, Thomas Piketty, Guillaume Sacriste, Antoine Vauchez*

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**Though they share the diagnosis of an unprecedented democratic crisis of the European project, our critics remain firmly rooted in a “communitarian” tradition that is no longer able to meet the challenges faced by the government of the euro area.**

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After thanking Shahin Vallée and Laurent Warlouzet for their careful reading of our Draft Treaty on the Democratization of the Euro Area (T-Dem), and prior to discussing their points of criticism, we should perhaps begin with a list of the pitfalls that threaten any discussion of the reform of euro area policy. Indeed, the terrain of European treaty reform is a genuine minefield, especially for those who wish to overcome the ritual opposition between “sovereigntist” and “federalist” perspectives—as we sought to do with the T-Dem. Strongly tinged with expertise, the discussion often struggles to escape the barrage of reminders of legal, political, or economic unfeasibility, which often seems to override the axiological question as to the very direction of the European project.

## The Space of European (Im)Possibilities

As interesting as they may be, the comments to which we would like to give some answers do not fully escape this slippery slope: Both S. Vallée and L. Warlouzet regard the T-Dem as essentially utopian. Thus, the treaty is said to have no chance of being accepted by a Germany that has for 60 years been entirely based on the independence of monetary policies and institutions. To think that an iconoclastic proposal like the T-Dem, launched from the academic field in the middle of the electoral campaign, might have been taken up *in extenso* by European capitals is no doubt to do it great honor. And yet, one of the very real challenges in drafting this text was to demonstrate, contrary to the notion whereby the European Treaties mostly bring forth a space of *impossibility*,

that there is indeed some leeway and latitude for a political refoundation. In this respect, the T-Dem takes very seriously the lessons taught by a decade of *ad hoc* treaties adopted outside the EU's sole institutional framework, of "conditionality policies" built at the limits of the mandates of euro area institutions, and of acute conflicts of interpretation fought between constitutional courts over the founding treaties of the euro area—all of which have clearly shown that Europe is actually quite malleable, so long as the political will is there. The T-Dem specifically wishes to stress that the old refrain of unfeasibility and the timid step-by-step political approach are out of date; it also seeks to highlight that, after the climax of the Greek crisis, the democratization of euro area governance is nothing but the code name for the rescue plan that is needed by a political Europe caught up in the turmoil of a polycrisis with no historical precedent.

Beyond this, S. Vallée and L. Warlouzet essentially appear to criticize the T-Dem's options from a shared perspective, which, for want of a better word, we might refer to as "communitarian." L. Warlouzet insists on the fact that the "democratic deficit," perceived specifically at the European level, is just as important as the weakness of national institutions, and that, under these conditions, a solution would involve "a more explicit politicization of the Commission." With even greater clarity, S. Vallée argues that "it is precisely because the European Commission lacks the budget and the necessary prerogatives to govern the single currency" that "euro area governance" is so deficient; in this perspective, it would be necessary to centralize powers in the hands of the Commission, and thus to finally endow supranational institutions with the powers they need to impose themselves in the face of national political and economic egoisms. It is, therefore, clearly from the communitarian tradition our commentators draw their inspiration when they link the resolution of the current political crisis of the Economic and Monetary Union to the reinforcement of a "European Parliament - European Commission" partnership, which would presumably be freed from the "contingencies of national politics and domestic parliamentary alliances" and capable, *consequently*, of serving the general European interest.

But here again, the T-Dem makes a different choice. Drawing on more than a decade of social science studies in the fields of political economy,<sup>1</sup> political science,<sup>2</sup> sociology,<sup>3</sup> and European law,<sup>4</sup> our proposal follows from the scientifically grounded conviction that the European project has undergone a profound change since the Maastricht Treaty. As a result of monetary integration and the economic and financial crisis of the last decade, Europe is, in fact, no longer the same. So long as it was a question of creating and co-managing a common market, or of establishing environmental and health standards, Europe could function with its primitive "communitarian" architecture, which

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<sup>1</sup> Michel Aglietta and Nicolas Leron, *La double démocratie*, Seuil, 2017.

<sup>2</sup> See, in particular, Christopher Bickerton, *European integration: From Nation-States to Member States*, Oxford, Oxford University Press, 2012; see also Uwe Puetter, *The Eurogroup: How a Secretive Circle of Finance Ministers Shape European Economic Governance*, Manchester, Manchester University Press, 2006.

<sup>3</sup> See the reflections of Kenneth Dyson, *States, Debt, Power*, Oxford, Oxford University Press, 2014, and Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism*, London, Verso, 2014; see also, from a different political perspective which nonetheless shares many elements of this diagnosis, the Habermasian critique of the "post-democratic autocracy" formed by the euro area government.

<sup>4</sup> Mark Dawson, Henrik Enderlein, and Christian Joerges (eds), *Beyond the Crisis: The Governance of Europe's Economic, Political and Legal Transformation*, Oxford, Oxford University Press, 2015.

places the European Commission at the political forefront, under the control of the member states and the European Parliament.

Yet with the monetary union and the multiple coordination and monitoring policies built urgently to save the euro “whatever it takes,” European policy has suddenly spread to the heart of state sovereignty. It no longer intervenes only in what has been defined in the Treaties as the Community domain (the economy, the market, the currency, competition), but also, well beyond this, in what constitutes the core of states’ political and social pacts (social policies, labor law, the determination of budgets and, by the same token, the voting of taxes). In other words, it touches on the *raison d’être* of national parliaments as defined by the *Magna Carta* of 1215!

To this we can add another observation: A government of the euro area has gradually differentiated itself within the European Union; a center of power has formed around the central pole of the Eurogroup (i.e., in this informal venue that brings together the national economic and financial bureaucracies, the Commission, and the ECB), which has imposed itself in just a few years as one of the decisive sites wherein states’ basic economic orientations are defined (privatization, labor market reform, level of pensions, etc.).<sup>5</sup> Better yet, the crisis has demonstrated, via the asymmetric effects of monetary integration and the worsening of economic and social inequalities in the euro area, that the future of the 19 member states depends on their ability to reorganize this “government” in depth: by endowing it with the capacity to invest in common public goods, to conduct fiscal and social harmonization, and to build solidarity through debt pooling—all levers without which the common currency is not viable, as we now know.

## Placing Democracy Back at the Center of European policies

For all these reasons, the T-Dem wishes, first and foremost, to take note of this new situation that has forced the euro area to enter the era of “shared competences,” and to begin anew from the observation that an unprecedented blurring of the demarcation between the “national” and the “European” has taken place. In this context, rethinking European democracy means overcoming the now paralyzing opposition between “national problems” and “European solutions.” It also means reflecting on a democratic framework making it possible to legitimately debate and decide on the policies of fiscal and social harmonization, budgetary convergence, and economic cooperation that are necessary for the future development of the euro area.

The treaty on the democratization of the euro area thus proposes a democratic and pluralistic institutional framework for such a government. It calls for the creation of an *ad hoc* assembly in charge of monitoring this government closely, which would be composed, for one fifth of its members, of European parliamentarians, and, for the four-fifths of its members, of national

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<sup>5</sup> See the unflattering descriptions of the Eurogroup made by Pierre Moscovici in numerous interventions.

parliamentarians (T-Dem, art. 2-4). Indeed, it is unlikely that the traditional “communitarian” formula would be up to the task if it entrusted the European Parliament alone with the mission of defining the budgetary stance, economic priorities, and fiscal policies of the euro area. Beyond the very real risk that this would gradually deprive national parliaments of their basic powers, thus causing national democracies to be partly emptied of their substance, it must be said that the composition of the parliamentary assembly of the euro area would be more in line with a democratic theory which states that it is indeed representatives of the citizens affected by political decisions who must be in charge of discussing and taking these decisions. If a commission of the European parliament were responsible for monitoring the Eurogroup, we would find ourselves in the awkward situation whereby the representatives of the 27 member states would participate in defining the policies and reforms envisaged in the 19 states of the euro area!

Thus, many have duly noted this new situation and come to believe that the creation of a parliament and budget of the euro area should be placed at the heart of the European reform agenda. The President of the French Republic and the European Commissioner for Economic and Financial Affairs are now apparently convinced of this—more so than they seemed to be five months ago, when this project was first drafted. And the idea is not absent in Germany, far from it, since it is in this country that it has its most active supporters, from the current Minister of State for Europe, Michael Roth (SPD),<sup>6</sup> to the former Minister of Foreign Affairs, Joschka Fischer. Angela Merkel herself does not seem completely hostile to it—though she would probably need to be in a position to stop the intractable Schäuble from conducting European affairs.

Of course, it remains to be seen whether we can count, as the T-Dem does, on national parliaments to change the *status quo* in Brussels. We should not be blind to the specific difficulties that would likely arise from such an assembly of national parliamentarians: How to organize European political work? How to avoid the repercussions of specialization around a small group of assembly members? How to counteract the effects of European electoral asynchrony whereby parliaments are elected according to 19 different calendars? Etc. As valid as these remarks may be, we see them less as objections (any European political project is ultimately affected by those dynamics) than as an invitation to continue to reflect on the practical conditions for such transnational parliamentarism.<sup>7</sup> More fundamentally, the fact remains that “national parliamentarians as a whole,” evoked by S. Vallée concerning the parliamentary assembly of the euro area, would be much more likely to wrest the Eurogroup from the notoriously opaque, ineffective, and asymmetric logic of national interests, and to integrate it into a transnational political dynamic. This is because this assembly would take place under a regime of publicity and deliberation; it would be built with the parliamentary oppositions; and it would be goaded by members of the European Parliament (one-fifth of the parliamentary assembly of the euro area). Consequently, far from being intergovernmental as S. Vallée claims, our solution bets on the ability of this assembly to serve as a privileged place for European *demoi-cracy*. The latter would be at once rooted in a plurality of

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<sup>6</sup> Michael Roth, “Der Euro braucht ein Parlament. Für eine Avantgarde von Demokratie und Solidarität,” *Friedrich Ebert Stiftung*, November 2011.

<sup>7</sup> A seminar will be held this year at the universities of Paris 1 Panthéon-Sorbonne, Paris 2 Panthéon-Assas, and Paris Ouest-Nanterre to develop some of the key points of the T-Dem (for more information, [semtdem@gmail.com](mailto:semtdem@gmail.com)).

national public spaces and able to finally bring forth the divisions, identities, and solidarities (i.e., concrete public goods) that would draw the “European project” out of the isolation and diffuse indifference that effectively constitute the primary European challenge.

## The Cost of the *Status Quo*

Finally, let us conclude with a question for our two detractors: What exactly do you propose, if not the defense of the *status quo* and of the current institutional equilibrium? After so much mistrust was expressed—referendum after referendum—towards European integration in the last 20 years, after the Brexit vote revealed that the whole integration process could founder, inertia seems to us an indefensible position. Both S. Vallée and L. Warlouzet seem to share our dissatisfaction with the Eurogroup of finance ministers, with its opacity, with its growing influence over euro area governance, and, above all, with its inability to take calm majority decisions after genuine public and democratic deliberation. But by what means do they propose to escape this equilibrium?

Without stating it explicitly, both seem to have in mind a model in which the Commission would regain control by mainly relying on the European Parliament, and by largely bypassing the Eurogroup. There are two problems with this view. First, the authors should have presented their solution more thoroughly. Our proposal can, of course, be criticized and improved, but it has at least the merit of being clear. In particular, our draft Treaty explicitly provides that in the event of disagreement between the Eurogroup and the parliamentary assembly of the euro area—especially concerning the vote on the euro area budget—the parliamentary assembly would have the last word (T-Dem, art.12-15). If S. Vallée proposes that the European Parliament in its current form should have the final say in the event of disagreement with the Eurogroup, then he should write it clearly. And if this is not what he proposes, and if in reality the Eurogroup should in his view retain its current blocking capacity, then the institutional *status quo* remains in place.

Second, and most importantly, if we genuinely wish to escape the current intergovernmental logic and the impasses of the Eurogroup, it seems to us essential to fundamentally rethink the structure of European parliamentarism, and to accord a central place to national parliamentarians. The reason is simple: In order to reduce the influence of national executives over European decisions, the key players in the game should naturally be the bodies on which the executives of the member states found their legitimacy, namely national parliaments. Otherwise, there can be no binding link between national democratic institutions and European ones, which seems neither realistic nor desirable. This proposal would also contribute to the profound Europeanization of the political life of member states: In each national legislative election, parties and candidates would have to discuss their program of action for the parliamentary assembly of the euro area, and would no longer be able to merely deflect blame onto European institutions presumably free from of all control—or at least they would no longer be able to do so as easily as in the present system. Our

proposition is no doubt imperfect and incomplete. Nevertheless, it seems to us salutary that the European institutional debate finally rests on specific proposals and counter-proposals. This will make it possible to judge on results, and to find the best solutions together.

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