

European issues

n°387

05th April 2016

Euro zone, legitimacy and democracy: how do we solve the European democratic problem?

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Abstract:

Since the start of the crisis thought about the reform to implement has been limited to the framework of the euro zone and to the response to provide to the deficit of political accountability that is affecting the democratic legitimacy of decision making at this level. But the challenge regarding democratic legitimacy being made to the European Union cannot just be restricted to the euro zone alone, nor can it be reduced to the simple issue of accountability [1].

In addition to this the reform of the European political system and of the euro zone *a minima* supposes the prior clarification of the goals that are to be reached: is it a question of "simply" reforming the present institutional system whilst retaining the community rationale on which the Union's institutions are based – i.e. according to a rationale of a balance of interests and not of powers? Or is it a question of going further and of transforming the European political system into one that is truly parliamentary with a government that is accountable to parliament, or even into a presidential system, with its corollary, the introduction of an effective separation of powers?

Although Europeans are convened periodically to express their opinion within the context of a national political competition they are largely deprived of any real possibility of political change at supranational level. Their influence over the functioning of community action is relatively weak in spite of the European elections.

The reform of the Union must therefore involve a redistribution of powers and lead to an institutional structure that can rise to two challenges: the creation of clearer, more legitimate and more accountable political leadership; and the strengthening of democratic legitimacy of European decisions by national parliaments and the European parliament so that Europeans can embrace, both politically and democratically, the issues that they have in common.

1. The author is expressing his own opinion.

2. This contribution was presented during the conference organised at the Maison de l'Europe (Paris) on 21st March 2016 by the Representation of the European Commission in France: "Zone euro: comment aller plus loin? Débat sur l'avenir de l'Union économique et monétaire."

3. Report presented at the European Council of 29th June 2012 « Towards a genuine economic and monetary union » http://ec.europa.eu/economy_finance/crisis/documents/131201_en.pdf

4. https://ec.europa.eu/priorities/sites/beta-political/files/5-presidents-report_fr.pdf

Since the start of the euro zone crisis priority has been given to strengthening the economic governance of the Economic and Monetary Union (EMU) which was understandable in the beginning. Yet, at the same time problems involving democratic legitimacy have not been taken into consideration in the same manner [2].

In 2012, an initial report presented by Herman Van Rompuy on the reform of the euro zone included the issue of democratic accountability in the four structuring features of the strategic roadmap that was then accepted by the Heads of State and government [3].

It is significant that although major progress has been achieved in terms of financial solidarity, enhanced

monitoring of national budgets and the introduction of Banking Union, the democratic issue has become secondary and has been neglected in the initiatives that have been taken to date.

In 2015 the report "Completing Economic and Monetary Union", (the so-called "5 Presidents' Report" presented at the European Council of June 2015 [4] by Jean-Claude Juncker, President of the European Commission and prepared in close cooperation with the Presidents of the European Council, the European Central Bank, the European Parliament and of the Eurogroup, falls neatly in line with the previous report and defines two phases of reform: the first between July 2015 and June 2017

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providing for a certain number of immediate measures; the second aims to complete the structure of the euro zone by 2025.

With this in view the European Commission has launched a series of consultations on continuing the reform of the euro zone. In preparation for the second phase of reform a panel of experts, equipped with contributions made by the Member States via conferences and debates, will be responsible for the drafting of a White Paper to define the next stages of the reform of the euro zone.

With this in mind the following discussion aims to provide some elements about the context of the crisis of the European Union's political system, which not only typifies the euro zone, but also that of the Union as a whole; it assesses the diagnosis and direction of the 5 Presidents' Report, which are good but remain incomplete, as far as the issue of the democratic legitimacy faced by the EMU is concerned; it makes recommendations to help solve the double deficit of political leadership and democratic legitimacy that is affecting the euro zone and more widely, the Union.

1. BACKGROUND

1.1. A context of crisis of the EU's political system

More than five years into the euro zone crisis, in order to recover their sovereignty in the face of the markets, and therefore the ability to decide over their future, the EU Member States of Europe, notably those in the euro zone have tried to consolidate EMU with emergency measures but without changing its political nature.

Financial solidarity instruments have been introduced with the European Stability Mechanism and the Bank Resolution Fund. Stricter common rules have been adopted in a bid to avoid the accumulation of fiscal, macro-economic and financial imbalances that were responsible for the crisis. The ECB has especially played a decisive role with its monetary policy and its acquisition of new bank supervisory competences.

But, at the same time the euro zone has made very little progress from a political point of view. It was all too obvious that decisions could only be taken at national or European level as a matter of urgency. However this constraint has been of significant cost, both economically

and politically since it has reduced the area of political choice.

The emergency aside, the capacity to take decisions seems extremely reduced: repeated, conflictual, protracted negotiations have highlighted the limits of the intergovernmental model [5], in which diplomacy prevails over democracy. To be more precise, each Member State privileges its national democratic legitimacy and European democratic legitimacy has been unable to settle conflicts between national democratic mandates, the sum of which does not produce a European democratic mandate. The result of this is increasing frustration that is fuelling Euroscepticism. And in this vicious circle, this frustration makes political union, which would lead to conditions for more legitimate integration, even more difficult.

Moreover the management of repeated crises has shown that diplomatic negotiating time is too slow and a source of high anxiety. The outcome of these negotiations is always uncertain and decision making lacks transparency, which allows each one to blame the other for the result. Last but not least, this system leads to the feeling that there has been a game of "bluff" or "Russian roulette". This has nothing to do with the system of constitutional democracy which plans for and provides the necessary decision making instruments in a context of diverging political preferences: the majority vote together with constitutional rules that protect the minority.

Long term the *status quo* does not seem tenable and this might endanger European integration if awareness is not acquired at the highest level of the need to strengthen democratic legitimacy at euro zone level and more widely at Union level as a whole.

1.2. The 5 Presidents' Report: a welcome move in spite of an incomplete diagnosis of the "democratic legitimacy crisis."

From this point of view the 5 Presidents' report is important. Beyond the re-iteration of the need to prevent crises via joint surveillance, some ideas are more ambitious: in particular, the pooling of the system to protect savers' deposits; the revival of the convergence of the 19 euro zone countries with the adoption of common standards for example in the financial and fiscal areas, which will finally lead to the creation of a common fiscal stabilisation instrument.

5. B. Coeuré, a member of the ECB Board "Drawing the lessons from the Euro zone crisis," a speech delivered at the French Ministry for Foreign Affairs, Paris, 27th August 2015.

The report especially acknowledges that if the euro zone is to do more than just “survive” and for it to “prosper” it is necessary to share European sovereignty within common institutions based on mechanisms of adequate legitimacy and political accountability.

This clarification, which has been far too long in coming, is good news. However although the proposals made in the 5 Presidents’ Report move in the right direction (strengthening parliamentary control under the European Semester, increasing cooperation between the European Parliament and the national parliaments; strengthening the role of the Eurogroup, consolidating the euro zone’s external representation etc ...) the approach privileged in the report rests on a certain number of presuppositions and raises certain questions that require discussion:

- First, since the start of the crisis thought about the reforms to be implemented at European level are most often restricted to the realm of the euro zone. But limiting reform of the EU to the euro zone alone (which raises a whole series of problems) should not be a precondition but a potential “B plan”. The issue of democratic legitimacy is one faced by the Union as a whole and not just the euro zone.

The starting point should always be a sincere bid to move along within the EU-28; when this leads to an insurmountable deadlock, then an attempt should be made to implement the measure in question within the widest possible group of Member States; from this point of view the euro zone is one possibility amongst others. This is how the Union moved forward on the Stability, Coordination and Governance Treaty, to cover 25 States out of 27. An automatic withdrawal by the EU to the euro zone would have led to a suboptimal solution and additional tension and frustration within the Union [6].

- Second, it is striking that the issue of democratic legitimacy is reduced to that of accountability, which is indeed one of the vital components but this is not sufficient. This is an excessive reduction of legitimacy down to accountability.

Democracy is basically founded on three fundamental requirements: the democratic definition of political goals; the democratic selection of accountable leaders

before the citizens; the exercise of democratic control over the decisions taken to assess whether goals have been achieved or not. With this in view the democratic political system supposes that there are at least two criteria: that of competition and possibility of political change; and, what is missing in the EU, from a civic point view, lies in the lack of European political change, equal to that which exists in the Member States and also in the Federations.

Citizens’ representatives within the EU’s political institutions do of course enjoy direct or indirect democratic legitimacy: the heads of State and government, who meet in the European Council are appointed after democratic processes; this also applies to the ministers who sit within the Council, as well as the members of the European Commission, appointed by the governments after a democratic process, and moreover who are invested by the MEPs of the European Parliament, elected by universal suffrage. However, the representatives of the Member States in the Council owe their presence to the fact that they belong to a government supported by a parliamentary majority: but this parliamentary majority is rarely established following a campaign focused on European issues; and the Council as a whole cannot really undergo total alternation, since these members are renewed according to national elections and at according to a discontinuous and unsynchronized pace.

Only elections appointing MEPs enable the establishment of a direct link between citizens and those holding power at community level; but the fact that MEPs are elected according to a proportional vote and on largely national bases more often than not prevents the formation of a clear majority within the hemicycle in Strasbourg.

Of course the Spitzenkandidaten procedure leads to a strengthening of the political link between the European elections result and the choice of the President of the Commission. However this system is not enough: firstly because “parliamentary” and “diplomatic” rationale interfere in this in an unseemly fashion [7]; then, because Commissioners are chosen by the national governments, this leads to an intergovernmental system in which the Commissioners are also the voice of national interests; finally, because it is not certain that the precedent of Jean-Claude Juncker’s election as President of the European Commission in 2014 will form

6. T. Chopin and L. Macek, “Réformer l’Union européenne : un impératif politique” in *L’Union européenne entre implosion et refondation*, Y-C. Zarka, P. Perrineau and A. Laquière (eds.), Editions Mimésis, coll. “Philosophie et Société”, forthcoming, 2016.

7. Y. Bertoincini and T. Chopin, « Who will the Commission’s next President be? A multiple choice question », Policy Paper, Jacques Delors Institute / Robert Schuman Foundation, June 2014.

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jurisprudence and that the Spitzenkandidaten procedure will be respected in the future.

From this standpoint the diagnosis that can be made of the legitimacy crisis of the Union's political regime must therefore be wider than that of a lack of accountability. The European Union is a Union of democracies based on a democratic institutional system from a formal point of view, but which is unable to breathe adequate life into the "political" aspect (in the partisan sense of the term) amongst its members [8]. This is a structural obstacle to "democratic ownership" [9] of the European political system by its citizens.

In all, only the introduction of a truly "political union" across the European Union, notably based on the pre-eminence of parliamentary and presidential institutions whose members are appointed by direct universal suffrage will give European citizens the possibility of appointing and rejecting those who wield power in the Union and of changing the laws and decisions adopted on their behalf.

• Finally the political reform of the Union and *a minima*, of the zone euro supposes a prior clarification of what we want to do [10], which has not been the case to date:

- "Simply" reforming the present system whilst retaining the rationale according to which the community institutions function i.e. according to a rationale of a balance of interests and not powers?

- Going further and transforming the European political system into a truly parliamentary regime with a government that is accountable to parliament or even a presidential regime, as in the USA and its corollary, the introduction of a regime with the effective separation of powers?

It is vital to rid ourselves of this ambiguity. The nature of the proposals and future stages in terms of strengthening the democratic legitimacy of the European Union and/or the euro zone, depends on the answers provided to these fundamental questions. A debate should be launched on this issue.

Under the second option (privileging the balance of powers rather than a balance of interests) it would be necessary to define and separate more clearly the executive, legislative and judicial powers in the EU political system as well as to clarify relations between each of them.

In particular the present institutional system notable elements are the following:

- the Commission mixes executive and judicial power;
- the Council mixes legislative and executive power (and even judicial power in terms of economic and fiscal monitoring);
- the European Parliament does not have all of the prerogatives held by a national parliament since it does not vote on taxation and it has no power of legislative initiative.

In order for citizens to be able to take democratic ownership of the European political system we would have to draw closer to the national political systems with:

- the Commission as the only political executive (government);
- the Court of Justice as the sole guardian of the treaties (and no longer the Commission) (Chamber within the Court of Justice) or together with independent authorities (for example in the area of competition);
- the refocusing of the Council's powers on its legislative prerogatives (in view of its transformation into a second chamber, like the Bundesrat for example);
- the formalisation of the possibility for the European Parliament, the Council and the national parliaments (as part of a "green card" system for example) to put a legislative initiative to the Commission.

2. WHAT SHOULD BE DONE? RESPOND TO THE DOUBLE DEFICIT OF POLITICAL LEADERSHIP AND LEGITIMACY AT EUROPEAN LEVEL [11]

2.1. Towards a genuine European executive power

The economic crisis raises a challenge in terms of leadership, coherence and efficacy for the governance of Europe [12]. In a situation of crisis, which demands that the European Union and its Member States provide answers to the problems that they are experiencing, Europeans are discovering with frustration the limits of European governance and its "executive deficit" [13]: weakness of the European executive; the polyarchic nature of the community institutions and its corollary, a lack of clear political leadership; competition between the European institutions and the Member States; slowness and unpredictability of the negotiation

8. In this sense the European Union can be analysed in terms of "an impolitical democracy" according to the term borrowed from P. Rosanvallon, *Counter-Democracy. Politics in an age of distrust*, Cambridge, Cambridge University Press, 2008.

9. « Ownership and Accountability. How can Democratic Legitimacy of Policies Be Reinforced? », *Completing Europe's Economic and Monetary Union, Background Note, European Political Strategy Centre, European Commission, 2 March 2016* - http://ec.europa.eu/epsr/pdf/publications/Sp_bg_note_2016-03-02_democratic_accountability.pdf

10. S. Goulard et M. Monti, *De la démocratie en Europe. Voir plus loin*, Paris, Flammarion, 2012.

11. The following proposals were prepared initially in the following texts: T. Chopin, J.-F. Jamet and F.-X. Priollaude, « Political Union for Europe » *European Issue*, Robert Schuman Foundation, n°252, September 2012 and T. Chopin, « Political Union: Legitimacy and Efficiency to overcome the Crisis », in *European View*, Centre for European Studies, vol. 12, n°2, Springer, December 2013. http://www.thefederalist.eu/site/index.php?option=com_content&view=article&id=1405:riformare-il-processo-decisionale-europeo-legittimita-efficacia-chiarezza&catid=2:saggi&lang=en

12. Cf. T. Chopin "Europe and the need to decide: Is European political leadership possible?", in the Schuman Report on Europe. *The State of the Union 2011*, Springer, 2011; « Towards true European executive power: from governance to government » *European Issue*, Robert Schuman Foundation, n°274, April 2013; and « How the EU could overcome its Executive Deficit ? », London, Policy Network, May 2013

13. N. Véron "The Political Redefinition of Europe", Opening Remarks at the Financial Markets Committee (FMK)'s Conference on "The European Parliament and the Financial Market", Stockholm, June 2012.

process between Member States. As for the euro zone, leadership is assumed by the ECB which has no other power but its own and which has no strong political correspondent; the lack of an executive more legitimate than the Eurogroup is a particular problem in this instance.

With this in view solving the problem of Europe's "executive deficit" necessarily implies the creation of a clearer, more legitimate and more accountable leadership:

- The President of the Commission leader of a parliamentary majority, representing (appointed in advance) of a political group which has won the greatest number of seats in the European Parliament

This interpretation of article 17.7 TEU seems to have been fulfilled – with the election of Jean-Claude Juncker as the President of the Commission in 2014. However we shall have to wait until 2019 to see whether this procedure has set a precedent that will be respected in the future by all of the players in the institutional game.

It is the inevitable point of departure for any agenda that aims to politicise the functioning of the European Union. However since the Treaties are ambiguous on this issue, this *acquis* is still a fragile one. Indeed the European political parties must first play ball and then the European Parliament has to be able to assert itself before the Council which may – as was also the case in 2014 – aspire to interpret the latter article in a minimalist manner.

However, even if this measure became the norm, without adapted supportive measures, it would not be enough.

- The merger of the position of President of the Commission and President of the European Council.

The Convention, which laid out the project for the European Constitutional Treaty, did not go as far as this for fear of giving too much power to one single person. But the Lisbon Treaty does not reject this possibility in the future: the European Council would simply have to appoint the same person for two seats, which would lead to greater coherence, thereby substituting the danger of competition inherent to the present system. It was in order to open up this path that the ban on the accumulation of European posts with a national

mandate was retained in the Lisbon Treaty, whilst that with another European mandate was withdrawn. It offers the following advantages:

- It avoids rivalry that is potentially damaging to the efficacy and legibility of the Union's work;
- It would allow the European Union to speak with one voice;
- It would create a position high in democratic and intergovernmental legitimacy;
- It would simplify the European institutional structure and lend it a more personal aspect, which undoubtedly is a necessary prior condition to greater identification (whether this is positive or negative) between the Union and its citizens.

Using this possibility would imply definitively granting a major political role to the President of the Commission, who would enjoy community and intergovernmental legitimacy and be politically accountable to the European Parliament.

A modification of this type does not require the modification of the treaties. An interinstitutional agreement would suffice [14].

This single President could be elected by indirect universal suffrage according to the model in force in most of the 28 Member States (appointment by parliament), which would suppose that the European Council commits – even informally – to the appointment of the candidate put forward by the majority party or coalition in the European Parliament to the post of President of the Commission.

As the treaties stand the European Council is allowed to propose as President of the Commission the candidate put forward by the winning party in the European elections (which would be in line with the obligation provided for in the treaties that the European Council takes the result of these elections into account) and elect as President of the Council the President of the European Commission.

- In the meantime a revision of the appointment procedure of the President of the European Council is called for.

The appointment of H. Van Rompuy, just as that of D. Tusk was the result of an opaque negotiation between the heads of State and government, without public debate open to the citizens. As long as the appointment of the

14. *An interinstitutional agreement is an act adopted jointly by the European institutions in their field of competences, whereby they regulate their methods of cooperation or commit to respecting some basic rules. Interinstitutional agreements are the result of a practical need on the part of the institutions to define certain measures in the treaties which affect them to prevent conflict and to adjust their respective competences; Not provided for originally in the treaties they were formally introduced with the Lisbon Treaty in article 295 of the Treaty on the Functioning of the European Union (TFEU).*

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holder of this position does not evolve towards a merger with the Presidency of the Commission, a procedure that becomes a high point in European debate will have to be developed by:

- demanding a real declaration of candidacy, together with a clear political programme by each candidate, and at the same time ruling out the possibility of this person acceding to this post without fulfilling this prior condition;
- organising a public hearing of the candidates and a public debate between them;
- making the debate and the vote of the European Council on this issue public.

- The position of President of the Eurogroup should be merged with that of Vice-President of the Commission responsible for the euro, in order to create a Minister of European Finance who is accountable to the European Parliament [15].

- He would use the Eurogroup work group for the preparation and follow-up to euro zone meetings and the Economic and Financial Committee in view of meetings involving all of the Member States.

- Under his command he would have the General Secretariat of the Treasury of the euro zone whose remit would depend on the goals of on-going budgetary union (notably via insurance mechanisms and existing budgetary instruments). The recent creation of an independent European budgetary committee might provide a solution which would circumvent a risk inherent to this merger: the European Minister of Finance being able to "demand sanctions against a State and then chair the Council during which this proposal would be validated or rejected?" [16]; the independent European budgetary committee would be able to "externalise the supervision of excessive deficits by giving this task to a discrete authority from the departments of the DG Economic and Financial Affairs (ECOFIN), (...) over which the Commissioner would have no authority. The introduction of an independent budgetary committee of this nature would free the Commissioner of his role as prosecutor and allow him/her to accumulate his/her office with that of President of the Eurogroup." [17]

From this point of view the fact that the appointment of the members of the European budgetary committee, established on 1st November 2015, depends uniquely on

the competence of the Commission and its departments' secretariat, raises the issue of the real independence of this committee. The rules of the appointment of its members and its functioning must therefore be revised in view of achieving greater independence [18].

- The Vice-President of the Commission and the Council responsible for the euro and its economic affairs would be the face and voice of the euro policy. He/She would be in charge of communicating the Eurogroup's decisions and of the euro zone's external representation within the international financial institutions. He/She would be responsible for explaining how budgetary or structural policies of the euro zone member states form a coherent policy mix with the ECB's monetary policy.

The remit of the Vice-President of the Commission and the Council responsible for the euro and for economic affairs could be defined under the Eurogroup's Protocol.

2.2. Strengthening the democratic legitimacy of European decisions by national parliaments and the European Parliament

In terms of strengthening democratic legitimacy national parliaments and the European Parliament have a decisive role to play.

2.2.1. Involving national parliaments in economic and budgetary supervision

Beyond the work of supervising the governments of the Member States by national parliaments (the intensity of which is variable depending on the States), this might involve:

- developing the role played by the Interparliamentary Conference on Stability, Coordination and Governance within the Union created by the TSCG [19] – which is not mentioned in the 5 Presidents' Report.

To do this the format of the Interparliamentary Conference would have to be changed (since it involves too many participants), for example in a format of ECON+2 participants per national parliament and provide it with an explicit mandate (failing which it would not have any power and would only be a forum), for example in terms of budgetary supervision.

This Interparliamentary Conference would be given

15. Cf. Speech by J-C Trichet, the then ECB President, on the occasion of the award of the Charlemagne Prize in Aachen on 2nd June 2011. See T. Chopin, J.-F. Jamet and F.-X. Priollaude, « Political Union for Europe » (2012), op. cit. and T. Chopin, « Political Union: Legitimacy and Efficiency to overcome the Crisis », in *European View* (2013), op. cit. See also H. Henderlein and J. Haas, « What would a European finance minister do? A proposal », Policy Paper, Jacques Delors Institute, October 2015.

16. J. Pisani-Ferry, « Assurance mutuelle ou fédéralisme : l'euro entre deux modèles », Bruegel, 2012.

17. Ibid.

18. Information Report delivered by the European Affairs Committee at the French National Assembly on the governance of euro zone and presented by C. Caresche, 18th November 2015, p. 12-15.

19. See article 13 of the TSCG. The Interparliamentary Conference on European Stability, Economic Coordination and Governance meets at least twice a year in coordination with the cycle of the European Semester. During the first semester of each year the Conference takes place in Brussels and is organised and chaired jointly by the parliament of the Presidency of the Council and the European Parliament. In the second semester of each year the Conference takes place in the Member State which is ensuring the Presidency of the Council and is chaired by the Presidency's parliament. Since 2013 the Interparliamentary Conference has met six times.

an important role in the economic and budgetary supervisory mechanisms planned for EMU Member States:

- its two annual meetings should take place at key points in the European Semester (November/December after the annual assessment of growth and in June after the draft recommendations have been made by the European Commission on the stability and reform programmes and before the adoption of these recommendations by the Council [20];
- not only would it meet for regular sessions but it might be completed by the convocation of exceptional sessions;
- on the base of the reports presented by the Member States and the Commission (which should lead to the establishment of a consolidated vision of the euro zone's public accounts), and also the fact-finding missions that it might launch under its own initiative, this Conference could ensure the strength of the euro zone and the respect of the commitments made by the Member States;
- it would also need to be informed of the progress of the measures taken as part of the conditions set by the aid programmes;
- finally it would have the power to audition the Member States' Economy and Finance Ministers, members of the European Commission responsible for economic, financial and monetary issues, the President of the ECB, the president of the Eurogroup as well as members of the European budgetary committee.

A revision of the treaty would be required according to a simplified procedure provided for in article 48-3 TFEU. However, according to the Interparliamentary Conference's perimeter of competence, a modification of the treaties according to the ordinary revision procedure cannot be ruled out (IGC preceded by a convention).

An institutional modification in the monetary area (for the hearing of the President of the ECB, if he is obliged to attend on invitation of the Interparliamentary Conference) is possible according to the simplified revision procedure provided for in article 48-6 in the TEU but this would require a decision on the part of the European Council deciding unanimously after consultation with the European Parliament, the Commission and the ECB.

2.2.2 Strengthening the role and legitimacy of the European Parliament

Beyond the initiatives taken by the European Parliament to strengthen parliamentary supervision under the European Semester (notably in the shape of "economic dialogue" between the Parliament, the Council, the Commission and the Eurogroup) this might involve:

- Creating a "euro zone subcommittee" within the European Parliament on the basis of a simple modification of its internal regulations. The progress of the euro zone's integration raises the issue of strengthening differentiation from a political and institutional point of view. As an example, in order to reinforce the legitimacy and democratic supervision of European decisions on EMU, the question of creating a specific euro zone assembly has been raised. The European Parliament would evidently prefer this assembly not to compete with it and for it to be one of the sub-committees, in the same way the Eurogroup is a sub-committee of the Ecofin Council and the euro zone summit is a sub-committee of the European Council.

The institutions of the euro zone (ESM etc.) would be accountable to this sub-committee. The chair of this sub-committee would also be invited to the Eurogroup meetings and to the euro zone summits for audition [21]. This modification might be made as part of a revision of the Eurogroup's Protocol.

- Representation that is more proportional with the population would enhance the democratic legitimacy of the European Parliament. Currently the European Parliament is far from the principle of fair democratic representation: the number of MEPs per inhabitant is for example twice as high in Finland than in France. But since citizens should all have the same political rights in a democratic system their vote should carry the same weight [22]. In other words the number of inhabitants per MEP should be the same in all countries (with a minimum representation however to guarantee that even the least populous States are represented) [23], which is an objective criteria that is difficult to challenge. But given the significant growth in the powers of the European Parliament as the Treaties have progressed, strengthening the democratic legitimacy of this

20. Information Report delivered by the European Affairs Committee at the French National Assembly on the governance of euro zone and presented by C. Caresche, op. cit.

21. Regarding the distribution of tasks between this sub-committee of the euro zone and the Interparliamentary Conference, see Y. Bertoncini, « The Parliaments of the EU and the EMU governance. What parliamentary dimension for the "Political Union" »?, Tribune, Jacques Delors Institute, April 2013 and Y. Bertoncini and A. Vitorino, « Reforming Europe's governance », Studies and Reports, Jacques Delors Institute, September 2014, p. 70-71.

22. T. Chopin and J.-F. Jamet, "Distribution of MEP seats between Member States: a democratic as well as a diplomatic stake", European Issue, Robert Schuman Foundation, n°71, 2007.

23. A simple solution would be to have an MEP for X (eg 1 million) inhabitants with a minimum of one MEP per Member State.

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institution, which is moreover the only one to be elected by direct universal suffrage, is a real stake, as recalled by the jurisprudence of the German Constitutional Court [24].

A modification of this nature would require a revision of article 14-2 TEU according to an ordinary revision procedure of the treaties (IGC preceded by a Convention).

- Recognising the right to joint legislative initiative by the European Parliament and the Council. This does not involve restricting the prerogatives of the Commission but rather more adding an element of democracy in the final stage of the community decision making process. Sharing the initiative between the Commission (which would retain this prerogative), the MEPs and the governments of the Member States (in the shape of a right to joint initiative between these two branches of European legislative power) would have double added value, in comparison with the system that is presently in force: by firstly allowing response to democratic requirements on which representative democracy is founded (in which the executive and legislative bodies share the power to put laws forward); by giving citizens the feeling that they are being heard and that their representatives – both European and national – are able to relay their wishes [25]. This innovation might be presented as a complement to the citizens' right to initiative introduced with the Lisbon Treaty.

A modification of this nature would require a revision of the treaties (art. 225 TFEU) according to an ordinary procedure (IGC preceded by a Convention).

The crisis, increasing mistrust on the part of the citizens regarding the institutions of Europe and the reforms now ongoing place Europe before a major political challenge. Either the leaders of Europe are able to agree on the real steps to take forward in response to the criticism made about the system's democratic legitimacy deficit and its executive deficit, and via this progress, help towards the creation of a European *demos* and provide European citizenship with meaning; or they run the risk of seeing Euroscepticism grow stronger if steps towards integration do not go hand in hand with democratic control and sufficient decision making power. Many Europeans might withdraw back towards their national identity, which they feel will be the only one that can guarantee them their political rights.

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24. The decision of the German Constitutional Court of Karlsruhe on the Lisbon Treaty stresses that the democratic principle applied to a State means the respect of certain conditions that the Union does not fulfil and notably the fact that European elections do not take place according to the principle of one man one vote." cf Les conséquences du jugement de la cour constitutionnelle fédérale allemande sur le processus d'unification européenne, Robert Schuman Foundation / Konrad Adenauer Stiftung, September 2009.

25. Y. Bertoncini, "Europe : le temps des fils fondateurs", Michalon, 2005.

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