

# **(More) power to the EU (?)**

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## **Overview**

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### **Part 1**

#### **Is the EU democratic ?**

- Power and democracy**
  - Model: Nation state
  - Decision making in the EU (Institutions)
- Demokratic deficit in the EU ?**

### **Part 2**

#### **Does the EU do, what it should do?**

#### **Is the EU allowed to do, what it does?**

- Co-operation between members states**
  - Criteria (norm)
  - European Treaties (actual)
- Assessment using examples**

## Part 1: Power and democracy

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**Nation state**  
**European Union**

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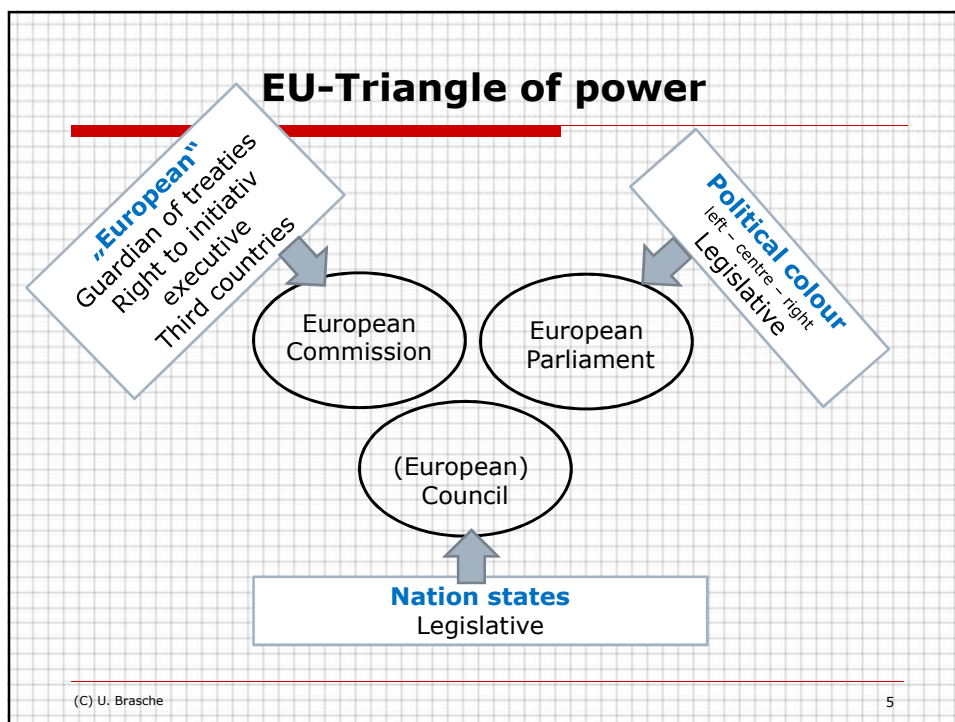
## National state and democracy

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- **National state and identity**
  - Identity, „We“
    - Peoples / Demos → loyalty, solidarity
      - Social cohesion
      - Shared history / destiny
      - Collectiv Self-Identity
  - „We“ as boundary between „us“ and „them“
  
- **Democratically legitimated delegation of power**
  - Concepts of democracy (Beetham, 1991; Scharpf, 1999)
    - Legitimation by procedure (input)
      - Fair and free elections
      - Outnumbered minority trusts into majority
    - Legitimation by results (output)
      - Welfare of the governed increases
      - (Basic) expectations fulfilled
  - Control of power: separation of executive, legislative and judicial powers as well as elections

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### Task for students

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## Is the EU democratic?

**Use the criteria (see above) !**

- Input**
- Output**
- Control**

At the bottom left of the task area, the text "(C) Ulrich Brasche" is visible. At the bottom right, the number "6" is displayed.

## Democratc deficit of the EU

Deficit does exist	Deficit does NOT exist
No division of powers (Legislative-Executive- Judicative)	Checks and balances: Transfer of power by treaties , no budget, QMV, strong council; ECJustice, ECAuditors
inverted regionalism	
Non-EU-demos (→ EP) No EU-wide debate on EU	EU-We-feeling increases
Crisis reaction WITHOUT democratic decision (mutualisation of risk; strong EURO-group in council; ECB morphing)	Elected representatives (council)
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## Part 2: Co-operation und division of tasks in the EU

**Does the EU do, what it should do?  
Is the EU allowed to do, what it does?**

**Concepts and Criteria (norm)  
Competencies (actual)**

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## Assignment of Competencies to the EU

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- **What should be done on what level?**
  - Level in charge
    - Local
    - National
    - Supra-national / EU
  - What is **actually** done by EU?
  
- **How are competencies assigned to the EU?**
  - Authorisation by treaties (Primary law)
    - Methode Monnet
    - „Non-rational“ transfer of power
  - European law (Secondary law) passed only
    - Based on primary law
    - Under national control / participation (council)
  - ➔ EU has NO „empowerment power“
  - ➔ EU „with tied hands “

## Co-operation of Nation States and EU

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- **Levels of decision making**
  - Inter-governmental
    - International treaties between governments
    - Council decides (incl. ratification)
    - Member state can pull out
  - Community method (**Federalism**)
    - Indefinite transfer of power to the EU (supra-national)
      - However: BREXIT, GREXIT?!
  
- **Brake against „too much“ centralisation**
  - Subsidiarity
    - As local as possible – so central as necessary
  - National parliaments
    - „Yellow Card“ (Subsidiarity test against new secondary law)
      - Cameron: „Red Card“

## Division of competencies between nation state and EU

### „Objectiv“ economic and political criteria

National, local	Centrale / EU
Local preferences Information asymmetry Democratic control	Economies of Scale Public good Cross-border externalities Smoothing of local shocks Policy failure, free-riding
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## Pro national / local

(Baldwin/Wyplosz, 2012)

- Diversity and information advantage**
  - Preferences differ locally / nationally, e.g.
    - DK: Military
    - UK: Social policy
  - Need better known locally / nationally
    - No „one-size-fits-none“
- Democratic control**
  - The vote of each single voter has more impact in a smaller (local / national) constituency
  - In an EU-wide decision each vote is „watered down“

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## Pro central (1)

(Baldwin/Wyplosz, 2012)

- **Economies of scale („Big is more efficient“)**
  - Infrastructur, militarybasic research+science, foreign policy, global resources, fighting terror, etc.)
  - Unified legal and regulatory framework
    - Less transaction cost (e.g. consumer right, norms and standards)
  - More weight internationally (WTO, global energy, global regulation, military, etc.)

## Pro central (2)

(Baldwin/Wyplosz, 2012)

- **Public good**
  - Usability doesn't decrease with more users
  - Non-excludability
  - Examples
    - military
    - Single Market,
    - Business cycle policy,
    - Fighting terror,
    - Currency and monetary policy,
    - Peace at your neighbours, etc.

### Pro central (3)

(Baldwin/Wyplosz, 2012)

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- **Cross-border externalities (+, -)**
  - Economically relevant, but not covered by contracts between parties affected
    - Environmental damage / protection,
    - Infrastruktur (e.g. transportation, energy networks)
    - Immigration ,
    - Air traffic control,
    - Fighting cross-border crime and terror,
    - „Contagion“ in the banking industry, etc.
  - „Unfair“ competition (Social standards, taxation, subsidies, protection, monopolies, cartels, ...)

### Pro central (4)

(Baldwin/Wyplosz, 2012)

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- **Smoothing of (asymmetric) local shocks**
  - More buffer in a larger community
  - Insurance model
  - Examples
    - Failing banks,
    - Natural disasters,
    - Surge in immigration, etc.
- **Policy failure, „free-riding“**
  - A country acts egoistically
  - Can make use of action of other countries for free
  - Examples
    - Financing of camps for refugees

➔ „European Value Added“ used as justification for EU-involvement



## Factual distribution of competencies (excerpt)

### □ National

- Fiscal policy (taxation, government spending)
- Social policy (health, pension, unemployment)
- Employment and business cycle policy
- Education, research innovation
- Justice, police
- Foreign policy, military

### □ EU

- Single Market (Goods, services, labour, capital)
- Monetary and exchange rate policy
- Competition policy
- Trade policy and treaties with Non-EU-countries

## Task for students

**Is the distribution of competencies between member states and EU-level „correct“?**

**Discuss fields like economic policy, social policy, taxation, asylum policy, ...**

**Use the criteria !**

National, local	Centrale / EU
Local preferences Information asymmetry Democratic control	Economies of Scale Public good Cross-border externalities Smoothing of local shocks Policy failure, free-riding