(More) power to the EU (?)

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Overview

Part 1
Is the EU democratic ?
- Power and democracy
  - Model: Nation state
  - Decision making in the EU (Institutions)
- Democratic 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

National state
European Union

National state and democracy

- National state and identity
  - Identity, "We"
    - Peoples / Demos ➔ loyalty, solidarity
    - Social cohesion
    - Shared history / destiny
    - Collective 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
Task for students

Is the EU democratic?

Use the criteria (see above)!

- Input
- Output
- Control
### Democratic deficit of the EU

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

Does the EU do, what it should do?<br>Is the EU allowed to do, what it does?<br><br>Concepts and Criteria (norm)<br>Competencies (actual)
Assignment of Competencies to the EU

- **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

- **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

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<td>Smoothing of local shocks</td>
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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, military basic 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)

- Cross-border externalities (+, -)
  - Economically relevant, but not covered by contracts between affected parties
    - 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)

- Smoothning 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!

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