

The worrying rise of EU intergovernmentalism is the only viable response to the opposing desires in Europe for greater democracy and the reassertion of national sovereignty.

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Hostility towards the EU has moved from the fringes to the centre. [Olaf Cramme](#) argues that even Francois Hollande's most ambitious growth pact will not change this - radical institutional reform is the only answer.



The verdict on Merkozy has already been passed. Even a few days before the final round of the French election the mainstream commentariat in Europe seems almost unanimous in its view that the somewhat unequal Franco-German tandem has simply not done enough to tackle the sovereign debt crisis in the eurozone. While the bulk of criticism is directed against the policy decisions and the narrow focus on debt and deficit reduction, resentment has also emerged in relation to the politics of the decision-making.

The widespread perception is that of Germany and France simply dictating the rules of the game and stitching up the course of action which the rest of the Eurozone, or indeed the EU, has to follow. Merkel's and Sarkozy's infamous walk on the beaches of Deauville back in October 2010 offered the perfect visualisation.

Their decision to charge the President of the European Council Herman Van Rompuy, instead of the President of the Commission José Manuel Barroso, to come up with a blueprint for reform of the economic governance structures, now dubbed the six-pack legislation, heralded a new style of EU decision-making: less traditionally centred on the community method; more intergovernmental, as if dependent on a *directoire*. Unsurprisingly, many seem to hope that the likely victory of François Hollande will therefore lead to a return to the pre-crisis institutional equilibrium and the cosy world of Brussels. But hope is all there is.

If anything, the first round of the French election has made clear that EU politics-as-usual is no longer an option. The next President will have to respond to the fact that more than a third of the electorate supported candidates which reject outright the present trajectory and style of European policymaking. No growth pact, however targeted, ambitious or effective, is likely to change this deep-rooted antipathy in the near future. Hostility towards the EU has moved from the fringes closer to the centre, making it a critical variable in domestic politics.



Angela Merkel and Nicolas Sarkozy Credit: Chesi - Fotos (Creative Commons BY SA)

The result will be more intergovernmental manoeuvring and reliance on diplomatic bargaining – of the sort we have seen over the last few years. True, the controversial Fiscal Compact, if ratified in its present form, will give the European Commission a powerful role in policing the member states as far as their budgetary targets and compliance is concerned.

François Hollande may also be slightly less “Gaullist” than Nicolas Sarkozy and, as the European Council on Foreign Relations’ Ulrike Guérot noted in [an excellent analysis](#), his and Angela Merkel’s ideas on institutional developments in the EU are not that far apart, despite all talks of an allegedly new German-French rivalry. But judging from the wider political trends across Europe, there seems a worrying inevitability for more, not less, intergovernmentalism.

Why is this worrying? Past experiences clearly suggest that leaving EU policymaking, let alone the enforcement of rules, predominantly in the hands of heads of government has its narrow limits. Non-transparent and ineffective backroom deals increase; unhealthy interest group alliances emerge at the expense of a common European interest. Worse still, it favours the perpetuation of a decentralised rules-based system which has so far underpinned EMU but which has proven so terribly flawed. What is needed instead is a proper central fiscal authority that makes sensible judgements on targets, limits and priorities.

Yet why is it inevitable? As it stands, intergovernmentalism is the only viable institutional response to the two forces currently dominating EU politics: the coexistent desire for greater democracy and participatory influence; and the reassertion of sovereignty, if not outright re-nationalisation.

Both forces, strengthened by the fallout of the global financial crisis, are of course pulling in rather different directions. This leaves the classical institutions of deeper European integration and the community method, the Commission and the Parliament, hopelessly overstrained, given their relative distance to popular sentiment. It also explains to a large extent why the EU has not yet managed to come up with a more coherent and decisive plan to tackle the eurozone crisis.

To be sure, this development should not come as a surprise. The delicate institutional set-up of the EU was always vulnerable to the slightest shock. In the past, politicians put significant effort into separating the democratic debate on policy content and substance from rules and procedures. A majoritarian view saw the EU as a case *sui generis* and exceptional polity in which major constitutional disputes had to be avoided for the sake of progression.

The more “extreme” positions – full-fledged federalism or a return to nationalism – remained in a minority. Now, however, this balance has been severely shaken with federalists and confederalists on the upswing. As the scholar Sverker Gustavsson has argued, both share the view that democratic accountability and actual decision-making should take place on the same constitutional tier: either at the national or at the European level. But how to reconcile theoretically irreconcilable positions becomes increasingly unclear – and a heavy strain on today’s EU politics.

For those concerned with European integration, this calls for radical action and reform. The European Commission must regain its centrality and élan, but for this to happen it also requires far greater legitimacy. Ideas for electing its president certainly go in the right direction, but are simply not enough. We need to rethink the role, selection processes and accountability of all commissioners. The directorates-general, that is the EU’s administrative departments, need a more clearly and better defined remit that ordinary people can actually understand and approve of. Not least, the European Parliament must urgently look for ways of how it can assume proper popular representation, possibly by moving closer to and interlinking with national parliaments.

François Hollande and his ideas for reorienting Europe towards jobs and growth can usher in a welcome breath of fresh air. If only for this reason change in France is absolutely necessary. Yet on its own it won’t achieve much. Our institutional response to the growing unease with the European project will be at least as important to the future of the Union.

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About the Author

Olaf Cramme – *LSE European Institute*

Olaf Cramme is the director of *Policy Network*, an international think-tank based in London and a visiting fellow at the European Institute of the LSE. He is also a member of the Policy Advisory Group at the UK Commission for Employment and Skills, member of the General Assembly of the *Lisbon Council for Economic Competitiveness and Social Renewal*, and co-founder and vice-chairman of *Das Progressive Zentrum*, a Berlin-based political think-tank.



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