

Queries

Summer 2013 / Issue 1

◇◇◇◇ THE EUROPEAN PROGRESSIVE MAGAZINE ◇◇◇◇

NEW

ESSAY

Colin Crouch on post-democracy

ONES TO WATCH

Paul Magnette

Jutta Urpilainen

IN NUMBERS

Gallup Survey

+

2014,

EU ELECTIONS:

CITIZENSHIP IN ACTION



FOUNDATION FOR EUROPEAN
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About Queries

*Isaac Newton's famous book "Opticks" concludes with a set of "Queries".
These "Queries" are not questions in the ordinary sense, but rather
rhetorical questions intended to stimulate thinking.
This was Newton's mode of explaining "by query".*



No 1 / Summer 2013 / Queries is the scientific magazine of the Foundation for European Progressive Studies, made with the financial support of the European Parliament. The Foundation for European Progressive Studies (FEPS) is the first progressive political foundation established at the European level. Created in 2007 and co-financed by the European Parliament, it aims at establishing an intellectual crossroad between social democracy and the European project **Publisher:** FEPS – Foundation for European Progressive Studies. First published in Belgium 2012/2013 **Magazine Editor of Queries:** Dr. Ernst Stetter (Secretary General – FEPS) **Editor-in-Chief:** Alain Bloëdt **Associate Editor-in-Chief:** Olivier Breton **Editorial Consultant:** Ania Skrzypek – **Journalists:** Trevor Huggins, Pascal Beria, Henri de Bresson, Kathryn Hone, Jacques Docquier. **Cover Photocredits:** Getty Images – **Design & Production:** All Contents, France Copyright © FEPS – Foundation for European Progressive Studies.

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Queries

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MORE SOCIAL SECURITY *through more Europe*

Since the beginning of the crisis, we keep talking about problems concerning the banks, sovereign debt and spread indicators. **But we must never forget, not even for a moment, that this crisis is primarily affecting ordinary people. Our neighbours. Our youth. That behind the figures, there are citizens who will be asked to vote next year.**

This Europe, this technocratic and “austerity Europe,” risks becoming the only one known to its citizens. For all these reasons we must engage ourselves in a true Renaissance for Europe. Yet such ambitious goal cannot be achieved without also re-launching the social dimension of the European Union.

Nowadays, it is only at the European level that we can deal with the issue of developing a new welfare system. This task cannot be left to national instruments, as Colin Crouch writes (p.42), *“in order to safeguard national achievements, certain governments will see their role as limiting what Brussels can do.”*

To tackle this issue, we must first acknowledge that there will be no growth without some fundamental preconditions being met: first of all, the implementation of a wide-ranging European investment strategy; secondly, a flexible interpretation of what Malcolm Sawyer calls (p.23) the “Fiscal suicide pact”; thirdly, a fairer distribution of resources in order to boost internal consumption; and last but not least, the development of a new growth-oriented welfare system.

To succeed, we must also enhance Europe's democratic dimension and give European Union citizens a greater say in European affairs. The European Citizens' Initiative is not a miracle solution, but as Martin Schulz states (p.47) in the foreword of our inquiry *“it is the very first experiment in participative democracy at the level of the European Union and an opportunity for people to connect with each other.”*

We must also offer an opportunity to everybody to be informed about the big issues facing Europe today. According to Paolo Garimberti (p.24), *“with a few notable exceptions, the media's performance in covering Europe has considerably worsened in recent years.”* Consequently, the vast majority of European citizens are wholly immersed in national perspectives and even with racks of foreign press titles in bookshops, there is no such thing as a European opinion magazine.

The primary ambition of this new edition of *Queries* is to address this historical anomaly. The second is to stimulate the debate by going further than mainstream thinking by developing fresh ideas, opening up new possibilities and delivering innovative solutions. In other words, providing food for thought.

We hope you will enjoy this new edition of *Queries* and join our online debate.

Massimo D'Alema,
FEPS President, former Prime Minister of Italy

#01 Contents

*2014 European elections:
Citizenship in action
A Queries special report on **page 26**.*



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INPUT

P. 10 MY VIEW

Simon McBurney



P. 12 ONES TO WATCH

Jutta Urpilainen

Paul Magnette



P. 18 ANALYSIS

Bruno Liebhaberg



P. 21 COLUMN

Malcolm Sawyer



P. 22 VISION

Paolo Garimberti



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FOCUS

P. 28 FOREWORD

Ania Skrzypek



P. 30 IN NUMBERS

Aurélien Renard

André Krouwel



P. 36 ESSAY

Colin Crouch on post-democracy



P. 44 INQUIRY

ECI: the voice of Europe

Foreword by Martin Schulz



P. 56 COLUMN

Dominique Wolton



P. 58 BEYOND EUROPE

David Kitching



P. 62 INSIGHT

Guillaume Liégey



P. 64 INTERVIEW

Jacques Rivoal



P. 68 COMMENTS

Views of Economists



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INSPIRATION

P. 74 MEET THE PRESS

Tax Havens



P. 78 PORTFOLIO

The 150th anniversary of the SPD

Foreword by Ernst Stetter



P. 86 REPORT

Renaissance for Europe



P. 92 DIARY

FEPS & Members

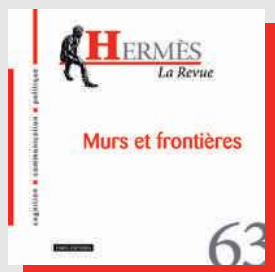


P. 96 PUBLICATIONS



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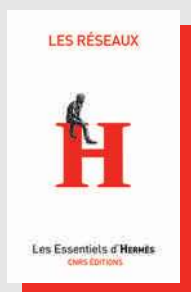
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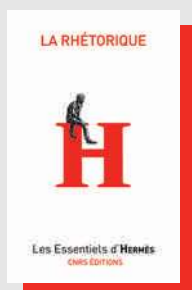
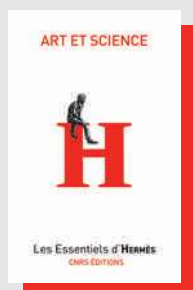
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Simon McBurney

P. 10



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Jutta Urpilainen

Paul Magnette

P. 12



ANALYSIS

Bruno Liebhaberg

P. 18



COLUMN

Malcolm Sawyer

P. 21



VISION

Paolo Garimberti

P. 22



CULTURE,
the fight for our future



© Eva Vermandel

*Europe's economy and sense of identity are in crisis.
We must seek help in a common culture that binds us together and
helps us understand who we are.*



by Simon McBurney



n December 18, 1994, one of the most extraordinary archaeological discoveries of the 20th century was made in the Ardèche region of southern France.

A cave, sealed off for 35,000 years, revealed the greatest (and oldest) prehistoric paintings known to man.

The drawings of horses and other animals on the walls were so natural, so alive, they looked as if they had been sketched today. As the British writer and critic John Berger put it: "Art, it seems, is born like a foal that can walk straight away. The talent to make art accompanies the need for that art; they arrive together."

May 22, 2013, by contrast, was a moment of senseless disunity. In Woolwich, South London, two young British Muslim converts killed a soldier in the road. The event produced a response of disbelief.

David Cameron, the Prime Minister, announced: "This was not just an attack on Britain, but on the British way of life and our culture... The people that did this were trying to divide us. They should know something like this will only bring us together and make us stronger." In fact the opposite happened. There was no consensus about the causes of the killings and the immediate consequence was a knee-jerk reversion to white nationalism. Immigration was to blame.

WHAT DOES IT MEAN TO BE EUROPEAN?

Since May 22, mosques have been burnt, Muslim schools covered in racist graffiti, and British Muslims attacked in the street. It was a wrenching open of deep fault lines between people, revealing utter confusion. What was "the British way of life and culture?" What does it mean to be British? Or to be European for that matter? And because Europe is made up not of 27 countries, but an indefinable myriad of localities all with their own distinct cultures (in France alone there are at least a dozen different languages), all themselves a product of waves of immigration and movements dating back tens of thousands of years, what we mean by "European" is, naturally, uncertain.

There are very good reasons for this uncertainty. We need look no further than the financial crash of 2008 when both financiers and politicians were revealed to be out of control of this financial and political pan-European enterprise. It was clear that the market,

far from being the binding institution of European unity, was one of the causes of its divisions. People's feelings of disenfranchisement were given a clear cause. Queen Elizabeth II, visiting the London School of Economics in the aftermath of the crash, asked: "Why did no one foresee it coming?" A panel of experts could only mutter that the entire community of those engaged in the field of commerce had "lost sight of the bigger picture".

CULTURE AS RESISTANCE

The bigger picture. A larger vision. Curiously, that etymologically hidden at the heart of Europe is, perhaps, this very idea. The origin of the name Europe is, probably, from the Greek *eurus*, meaning "wide, broad" and *p* or *opt*, meaning "eye, face". Hence Euro/opte, creates the wonderful image "wide-gazing", "broad of aspect".

Yet everywhere we look there appears to be a narrowing of vision, an inability not only to see beyond borders but also to see things in the context of a wider vision of time and place.

In this climate, culture has a unique and necessary place.

A place of resistance. One of the

things that theatre does and has always done is to bind people together in an act of collective imagination. In prehistory, ritual was a necessity, so you understood who you were.

Looking at the drawings of the animals on the walls in the Chauvet cave we will never know what political system these artists and their families or tribes might have had, but what we see moves us. Not only because of extraordinary natural artistic ability, but also because we recognise things in common. Through the ability of the artists to connect with what they lived with, and to express tenderness, exultation, the numinous physical presence, respect and joy, we see as they saw. We connect with them. We are, profoundly, the same.

That these qualities speak to us over 35,000 years must tell us, surely, that the place of culture is its capacity to do the same thing today. To join us together. To fight for our future. Together. For we are not that far, any of us, one from another.

Simon McBurney is a British actor and artistic director of the theatre company *Complicite*. He was associate artist at the *Avignon Festival* in 2012.

"CULTURE HAS A UNIQUE
AND NECESSARY PLACE.
A PLACE OF RESISTANCE."



JUTTA URPIILAINEN, A SOCIAL DEMOCRAT FIGHTING FOR FAIRNESS

© Jukka-Pekka Flander

Jutta Urpilainen, the leader of Finland's Social Democratic Party, has already made her mark on domestic politics. However, she is equally at home in a European context, and has her own ideas about the challenges facing politicians and the electorate in 2014. Supporting employment through investment, fairness in the tax system and social inclusion are high on her agenda.



by Trevor Huggins

F or most people involved in government, political awareness usually becomes a part of their lives in their late teens or early 20s.

For Jutta Urpilainen, it's part of her earliest childhood memories. But then, as the first woman to lead Finland's Social Democratic Party in 2008— just five years after first being elected to the Finnish parliament, Jutta Urpilainen is not your usual elected representative. Indeed, for the past three years she has been Finland's deputy prime minister and finance minister.

If that success is down to her ability and commitment, it's also true that SDP politics is a family affair for the Urpilainens. Bringing up his family in the western town of Kokkola, Jutta's father Kari was an SDP MP in the electoral district of Vaasa from 1983-1995 and 1999-2003 – when daughter succeeded father on the latter's retirement from parliament. "I remember from my childhood many moments when people would come to our house for assistance with social matters, for instance pension appeals" she recalls. "As a child, I was brought along by my parents to peace and Labour Day marches. My own political awakening, however, happened only in high school when two people close to me started taking drugs. I was quite shocked about the fact that in my small home town of Kokkola, which had a very strong feeling of community and security, young people would resort to drugs." Along with some friends, the country's future deputy premier drafted a municipal initiative to improve the town's drug awareness campaign.

THE IMPORTANCE OF EDUCATION

Given her background and later involvement in national student politics, it's perhaps surprising that her first career was not in the political sphere. With a Masters in education, Urpilainen followed in the footsteps of both her parents by becoming a schoolteacher, firstly in Helsinki and

subsequently in Kokkola until 2003. Not surprisingly, education remains a subject close to her heart, and one she is anxious to defend at a time when budgets are under pressure in many EU countries. "Education systems do cost the state, it's true," she admits. "However, I believe that the principles of equal rights to free education are more valuable for a society and state than the initial outlay in national budgets. Finland has one of the leading education systems in the world, and it's something we are very proud of... It is also important to remember that it was definitely not the education system that caused the current debt crisis. There are better and smarter ways of leading us towards a more secure and sustainable economy than cutting the branches on which our continent's prosperity is sitting."

Key Points

- ♦ A democrat whose engagement dates back to high school, Jutta Urpilainen's has been climbing the rungs of the Finnish political life, often against all odds.
- ♦ Education and a support for industry are at the very core of her vision for the reinforcement of a strong European Union.



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ABOUT

Born in 1975, Jutta Urpilainen became involved in youth and student politics on the left in the mid-1990s, occupying senior roles in both national and European associations. She went on to join the Finnish delegations to UN activities, while remaining active within her town and regional councils. Elected an MP in 2003, she became leader of the SDP in 2008 and deputy premier and finance minister in 2011.

Though electoral success in 2003 was a turning point, the defining moment in her political life came with the leadership contest of the SDP. Not only were the odds against her because of her gender, Urpilainen was also the youngest of nine candidates for the party's highest office. Looking back, there were a number of factors behind that success. "It is difficult to pinpoint one certain factor, but naturally the encouragement

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OF LEADING US TOWARDS A
MORE SUSTAINABLE ECONOMY
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of one's family, collaborators and supporters is of the utmost importance in any political campaign," she affirms. "Having said that, even with the strongest support, an aspiring politician cannot succeed without a belief in one's own abilities and solid personal motivation to have a say and to make a difference."

NO SILVER PLATTER

Despite those odds, her story is not one of a talented woman who struggled against a male gender bias to reach the top. Along with its education system, Finland is rightly proud of being the first country in the world to give women the right to vote and to stand for election, in 1906. Indeed, Finland is ranked second highest in the world for equality in the 2012 Global Gender Gap Report by the World Economic Forum, and gave two mandates to its first woman president, Tarja Halonen, from 2000-2012. For Urpilainen,

though her personal beliefs and determination are responsible for her current positions in politics, that broader environment has also helped. "These positions have not been offered to me on a silver platter. Instead, I have had a firm belief in my own vision, through which I have gained the will to challenge older and much more experienced male politicians." However, she also adds: "Amongst my male colleagues, I have always been treated fairly and equally. I have encountered only very rarely any belittling because of the fact that I am a woman. I genuinely believe that one's own attitude counts and it is important to have the resolve to rise to the challenge when life presents it to you."

Certainly, there will be no shortage of challenges next year, when Europeans go to the polls amid the continuing fallout of the financial crisis. For Urpilainen, the social, economic and political dimensions of that crisis are all inextricably linked – and therefore require an approach that is equally broad. She sees three areas in particular that need to be addressed: investment in education and infrastructure to support industry and tackle the challenges of youth unemployment; a fair tax agenda and financial system, so as to combat tax evasion and promote more responsible fiscal and financial management; and a sustainable European economy, one that ensures social inclusion, reduces the marginalisation of those most in need and safeguards the natural environment. "It is not a particularly easy time for many of the citizens of Europe," she concedes. "But the European community and society must remain united, engaged and vigilant in protecting the common values and economy that Europe shares... And voting in the elections next year is one step towards a stronger progressive community."

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PAUL MAGNETTE, A SOCIALIST WITH DREAMS OF EUROPE

© Parti Socialiste

Paul Magnette embodies the revival of French-speaking Belgian socialism. Proud of his left-wing heritage, he claims a clear stance as well as new responsibilities for his party and its allies within the European Union. He believes the upcoming European elections offer voters an opportunity to make a break with the neoliberal austerity policies imposed on them by the failure of financial capitalism.



by Jacques Docquier

P aul Magnette's role model is Jean Jaurès. His ambition is to one day join the European Parliament in Strasbourg and contribute to the advent of European

socialism. A brilliant academic, the 42-year-old is an avowed Europhile and author of a thesis on European citizenship. He also headed the Institute for European Studies at the Free University of Brussels (ULB). He came into politics somewhat by chance, but also thanks to his love for the city of Charleroi, where he grew up. In 2007, the leader of the Belgian francophone Socialist Party (PS), Elio di Rupo, asked him to help bring order to the socialist government of the city, hit by unemployment, crime and corruption, all of which had severely damaged the reputation of the left in Wallonia. Yet Paul Magnette is quick to refute the image—which he sees as hugely misleading—of a propped-up Wallonia, facing up to a triumphant Flanders. "This is a land of labour where people understand the meaning of work, entrepreneurship, and innovation, with a truly open-minded approach," he explains. He sees this spirit embodied in Charleroi's Sunday market, which he wouldn't miss for the world, and where he meets the voters who made him the city's mayor in October 2012. A few months later, he turned his back on a ministerial career when he was unanimously voted interim chairman of the Parti Socialiste.

LET'S NOT OVERPLAY THE RISE OF DE WEVER

Mr Magnette now divides his time between Charleroi, where he lives one week out of two with his three children, and Brussels, where he works at the PS headquarters on Boulevard de l'Empereur and fulfils his role as a senator. "I love the people of Charleroi. They are a bit like the people of northern France and are a lot more down-to-earth than the 'Bourgeois Bohemians' in Paris," he says. His opinion does not seem to

prevent him from borrowing a few fashion tips from these same "bobos", as epitomised by the fitted suit, casually knotted scarf and carefully groomed stubble. His office is an immaculate white. With its Knoll furniture, it looks more like an upscale loft than the type of work environment people might associate with the PS Chairman and heir of Emile Vandervelde, one of the historical figures of Belgian socialism in the latter part of the 19th century—an image Mr Magnette is keen to cultivate. The rise of Flemish separatists under Bart De Wever is something he finds worrying, but it is not an issue he is willing to overplay. Mr Magnette, a Flemish speaker with a column in *De Standaard*, the leading right-wing daily in the north of the country, advocates dialogue with the other community. He also regrets that people have ignored his claims for the past

Key Points

- ♦ *A brilliant academic, Paul Magnette came into politics somewhat by chance, thanks to his love for Charleroi.*
- ♦ *He advocates a vision of European socialism inspired by the Belgian model and based on a "six-pack" of reforms.*
- ♦ *He remains optimistic about the influence of Flemish separatists.*



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ABOUT

*Born in 1971, **Paul Magnette** initially chose academia over politics. In 2007, the leader of the PS summoned him to Charleroi to help put an end to the political crisis that was paralysing the city. In spring 2007, he began his ministerial career as part of the Walloon government before joining the federal government as Minister for Climate and Energy, then Minister for Public Enterprises and Cities. In January 2013, he was appointed mayor of Charleroi and chairman of the PS.*

ten years. Yet, in his own words: “We shouldn’t give undue importance to the matter: in Antwerp, De Wever received 36% of votes in the last elections; the SPA socialists achieved 34%. The SPA lost 5 to 6% of its voters. However, let us not forget that 80% of Flemish people still do not want to see the country disappear.”

BUILDING ON THE BELGIAN MODEL

According to Mr Magnette, the Belgian model has merits worth defending; strengths that should inspire its neighbours. To begin with, he would like to see the European left champion compulsory voting throughout the Union (the system is currently in effect only in Greece and Luxemburg). He also believes that automatic wage indexing is the best way to protect workers. What is more, the Belgian model symbolises a particular “art of living” and dialogue, since the country’s language battles have never evolved into the kind of violence seen in Spain, Italy or France. Nor is Belgium simply a tax haven for its wealthy neighbours: “I agree that for the very wealthy, we should lump together earned income and capital income before taxes. That said, we have a more progressive approach on taxing workers’ earnings than in France, for instance.” A realist, he defends coalition governments—which the PS has been involved in for 25 years—over the French alternating system.

THE “SIX-PACK”

Paul Magnette’s project is meant to be developed on a European scale: “Union citizens no longer believe in the liberal model. They now see financial capitalism as a failure and Barroso’s austerity policy as a complete disaster. They are looking for an alternative. It is up to us as socialists to offer them that alternative in the shape of controls on globalization, organized convergence and a model able to protect employment instead of encouraging competition between workers.” To this end, he proposes a socialist “six-pack” designed to provide a platform for all left-wing

parties in the run-up to the European elections in June 2014. His six socialist reforms to “change Europe”: a fair-trade Europe backed by social standards; a European minimum wage; a Europe that partially funds sovereign debt; a split between investment banks and commercial banks; a joint industrial policy; and a tax on financial transactions. Mr Magnette believes in an amalgam of the different types of socialism: Latin,

“THERE IS AN ALTERNATIVE SOCIAL MODEL ROOTED IN COHESION AND SOLIDARITY.”

Nordic, Rhineland and Labour. “We are that amalgam,” he adds with a smile. The upcoming European elections represent a real opportunity to reorient the policies of the Union if the socialists are voted into power. Although he believes it is acceptable to have tight budget controls in a federal system, he finds the lack of a European Treasury, separate resources, fiscal powers, social and industrial policies inexcusable. And he is well aware that these changes could take some time to implement, “years devoted to a great campaign for the European left that must show people who suffer in times of trouble that there is an alternative social model rooted in cohesion and solidarity.” To borrow an aphorism from French singer-songwriter Alain Souchon: “The left disappoints on occasion. The right never does—but only because it holds no promise.”

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SIX LEFT-WING REFORMS TO CHANGE EUROPE

- ◆ *a fair-trade Europe built on new social standards*
- ◆ *a European minimum wage*
- ◆ *a Europe that partially funds sovereign debt*
- ◆ *a separation between investment banks and commercial banks*
- ◆ *a joint industrial policy*
- ◆ *a tax on financial transactions*

LIVING TOGETHER IN EUROPE

It is only by reasserting its core values—in the form of policies to confront the crisis of the nation state and citizenship—that social democracy can improve our ability to “live together” within European societies.



by Bruno Liebhaberg

The pursuit of limitless freedom invariably results in a society governed by the law of the jungle. An egalitarian utopia ultimately leads to the subjugation

of the individual. By rejecting the former and abandoning the latter, social democracy invented the reasonable compromise that secured its place in history: it reconciled the principles of equality and liberty.

But is the social-democratic model still effective in the 21st century? Have the transformations of capitalism not sounded its death knell? Is the social democrats' future limited to a choice between a woeful allegiance to economic liberalism and a return to an unyielding ideological position that has failed to keep pace with modern society?

We are confident that social democracy is well suited to rise to emerging global challenges and offer a credible alternative to neoliberal group-think. Social-democratic leaders and heads of state have already demonstrated this through their efforts—which, admittedly, were late in coming and remain incomplete—to foster awareness among European Council members of the danger

posed to society by a dogmatic adherence to a monetarist economic policy.

However, the parliamentary left must do more than just demonstrate its competence in macro-economics. It must also prove that it is not denying the values so integral to its past achievements: social justice, equal opportunity and civic duty. The policy path required to overcome the crisis facing the nation state and citizenship must keep on promoting these political strategies.

THE NATION STATE

A weak government is a boon to economic liberalism, and social democracy requires a public authority strong enough to protect and regulate society. Now, stripped of its prerogatives by the rise of market liberalism, the state is weakened and near powerless. The time has come for the left to redefine public authority by formulating answers to three key questions: What is the core function of government in the national economy?

“THE LEFT MUST ALSO PROVE THAT **IT HAS NOT RENOUNCED** THE VALUES SO INTEGRAL TO ITS PAST ACHIEVEMENTS.”

“IT IS INCUMBENT ON SOCIAL DEMOCRACY TO **DEFEND THE SOCIAL RIGHTS** ACQUIRED SINCE 1789.”

To what extent does the original conception of the nation state remain relevant today, in particular with regard to the concept of national identity that is often dismissed by the democratic left, mistaking patriotism for nationalism? How should we go about institutionalising subsidiarity in Europe, to ensure effective relations between sub-national, national and supranational authorities? Citizens' support for a political system that seeks to foster a sense of “living together” in European regions, cities and suburbs is contingent on our ability to find answers to these questions.

CITIZENSHIP

For economic liberals, citizenship simply consists of a set of rights. Against a backdrop of institutional crisis, it is incumbent on social democracy to defend the social rights acquired since 1789. But it also must redefine citizenship to include duties. If society is nothing more than a collection of users of state-run services, it cannot be considered a democracy, because the latter requires the active involvement of responsible individuals. Furthermore, the exercise of citizenship within democratic societies must be founded upon a common set of values. And yet, as globalisation has made national communities more multicultural, this foundation has been weakening, as demonstrated by the turmoil in Europe's urban communities, as well as the rise in xenophobia and the return of anti-Semitism, religious fundamentalism and populism.

These symptoms of social crisis call for a more realistic, humanistic approach to integration policy from the left. Integration must not equate to a denial of cultural difference in the host society, especially in this period of rising migration. But social democracy must also avoid

multiculturalism which results in divisions and ghettoization, and instead look to the regulation of cultural diversity. Rather than being tempted by vote-catching patronage, social democrats must heed the lessons learnt through the experiences of countries such as the Netherlands, the United Kingdom and Sweden, which are now paying dearly for having mistaken “do-nothing” policy for tolerance.

Social democracy never entertained the totalitarian fantasy of a society of clones marching in lockstep. Instead, it embraces a vision of society in which diversity is nurtured by a set of values that must be shared in order for democratic society to thrive.

Social democrats must take action. Now.



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Bruno Liebhager is Director General of the Centre on Regulation in Europe (CERRE), Chair of FEPS Scientific Council, and President of Gauche Réformiste Européenne (GRE), a pro-European, progressive think tank in Belgium. Prof. Liebhager obtained a Ph.D from the London School of Economics and Political Science. He teaches at the Université Libre de Bruxelles' Solvay Brussels School of Economics and Management.

A person is holding a large, bright red rectangular sign with both hands. The sign is centered in the frame and features white text. The person's arms, wearing a white shirt with dark blue cuffs, are visible at the top corners of the sign. The person's legs, wearing blue jeans with a tear on the left knee, are visible at the bottom. The background is a plain, light grey.

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THE “FISCAL SUICIDE PACT”

by Malcolm Sawyer

The “fiscal compact” – reinforcing the Stability and Growth Pact – imposes the requirement for a balanced “structural” budget, with penalties to be imposed on countries that are deemed not to adhere to it, as well as an “excessive deficit procedure.” Attempting to meet such requirements will turn the “fiscal compact” into a “fiscal suicide pact”: as each country deflates, the situation in neighbouring countries is adversely affected.

This imposition of a “one-size-fits-all” approach disregards the wide macro-economic differences between member countries, notably in the current account positions. There is a simple, if often ignored, national accounts relationship which states that budget deficit equals savings minus investment plus capital inflows (equal to current account deficit). What the government borrows (budget deficit) is equal to what the private sector (domestic and foreign) lends. Similar budget deficits across countries call for similar behaviour with regard to savings, investment and current account positions. Yet, it is well known that the eurozone countries differ markedly in the current account positions. There is little reason to think that the same budget deficit would be appropriate for all countries: past behaviour indicates that the countries of the Eurozone have differed substantially in the size of their budget deficits.

The “excessive deficit procedures” impose further deflationary pressures requiring budget surpluses in many countries of up

to 3 percent or more of GDP (based on reducing the debt to GDP ratio where that is in excess of 60 percent, a figure for which no justification is given). Imposing such draconian measures, and particularly where this is being attempted, in many inter-connected countries, threatens deflation and austerity across Europe.

THIS “ONE-SIZE-FITS-ALL”
APPROACH
**DISREGARDS
THE MACRO-ECONOMIC
DIFFERENCES
BETWEEN
COUNTRIES.**

There is little evidence that a balanced structural budget is attainable – it necessitates not only that the budget is balanced but also that it is balanced with the economy operating at potential output. This would imply that when the economy operates at potential output, then savings plus capital inflow equals investment. There is little reason to think that the amount people wish to save, the amount firms wish

to invest, and the current account deficit (equal capital inflow) will secure that outcome and lead to the economy operating at potential output. It can be turned the other way round and say that if that condition did hold, there would be no need to target the budget deficit: all that would be required would be to allow the economy to operate at potential output, and the balanced budget would follow.

In the period 1999 (with the euro introduced as a virtual currency) to 2007 (hence prior to financial crisis) when the Stability and Growth Pact (SGP) with its aim of budget balanced on average had started to operate, the average structural deficit was 2 percent. This experience could be interpreted that despite the aims of the SGP, governments were slack, and more discipline on them is needed. The other interpretation is that a balanced “structural budget” was not feasible. At a minimum, the advocates of the “fiscal compact” need to provide some reasoning as to why what was not achieved in the 2000s can now be achieved. From the national accounts relationship above, this would involve showing why savings may be lower, investment and net exports higher in the future than they were in the 2000s. Chasing the unachievable threatens the Eurozone with a deflationary spiral.

Malcolm Sawyer is *Emeritus professor of economics at the University of Leeds.*

MEDIA COVERAGE OF EUROPE: *... And now the bad news?*

As they prepare to vote in next year's elections to the European Parliament, millions of people will need to be informed about the big issues facing Europe today. But are the media up to the task? Paolo Garimberti, the chairman of Euronews, talks to Queries about the challenges facing the media and European politicians.



Paolo Garimberti & Trevor Huggins

I f a journalist's job is to provide information, both accurately and without prejudice, how do newspaper reporters and TV news crews measure up when it comes to covering European affairs?

Not very well, according to Paolo Garimberti. And as the chairman of Euronews, a former president of the RAI and a national newspaperman with a career spanning five decades, he is in a fair position to judge. In fact, Garimberti sees a "perfect storm" brewing for Europe amid a decline in journalistic standards, a growing mood of

Euroscepticism and a lack of true leadership at the top.

It is a complex situation, and the stakes are certainly high.

"In 10 years' time, we could have either of two contrasting scenarios: a failure of the European project, and a return to purely national governments and national currencies or, if we can educate the young generation who will be voting in 10 years' time, we can recover the situation and move towards a better Europe," Garimberti affirmed. "In either case, I believe the media will have an important, if not decisive, role in what happens next."

That places considerable responsibility on

a group of people who many believe have not lived up to expectations. Perhaps surprisingly, those critics include Garimberti himself.

DECLINING JOURNALISTIC STANDARDS

"In my opinion, the media's performance in covering Europe has considerably worsened in recent years. With a few notable exceptions, they are less informative, increasingly more biased, ever more sensationalist and take a great deal less care in how they gather the information in the first place. For me, there has been a very real decline in the social role of the



“LIKE THE DECLINING NUMBER OF JOURNALISTS SENT TO THE EUROPEAN COUNCIL, THE NUMBER OF ACCREDITATIONS AT THE EUROPEAN COMMISSION CONTINUES TO DECREASE.”

Key Points

- ◆ *Media coverage of European news considerably has decreased in recent years.*
- ◆ *The crisis and the subsequent broadcasting choices could be to blame.*
- ◆ *Europe lacks real leaders who could reaffirm its identity.*

media in terms of informing and, to a certain extent, educating their readers.”

The reasons for that decline are wide-ranging. Social, economic and political changes have all shaped a media landscape in which analysis and explanation frequently play second fiddle to the mawkish “faits divers” of everyday life.

“**Firstly**, there has been a generalised crisis in daily newspapers sales and television ratings for a number of years now, a crisis that has led the media to seek new audiences through a type of journalism that

tise quality journalism. The crisis has also made it harder to maintain a network of correspondents abroad.”

THE RULE OF THE PRESS BARONS

However, the media are not mere victims of economic circumstance. The industry also has to accept its share of the blame, and notably the newspaper and TV network owners along with their foot soldiers, the reporters. “The likes of Rupert Murdoch and Silvio Berlusconi have fostered a more sensationalist, less informative and increasingly aggressive form of journalism; one focused solely on maximising sales and, in Berlusconi’s case, supporting a political party – his own,” Garimberti contends. “Even when parties in Italy such as the Communists or the Social Democrats had their own papers, they never plumbed such low levels of quality. Then there are the journalists. Obviously, in a shrinking job market, journalists need to adapt in order to avoid becoming unemployed – but they have their share of responsibility for accepting to work in this way.”

If the quality of journalism on Europe is no longer the same, though there are notable exceptions in the likes of the Financial Times, neither is the subject matter. And in this respect, the profile assigned to European politics has been the biggest loser. Once a leading part of any serious newspaper or TV channel, European affairs over the past couple of decades have not so much been moved to the back seat – as dumped in the car boot. The underlying reason for this, however, has more to do Mikhail Gorbachev than Rupert Murdoch. Put bluntly, when capitalism won the argument with communism in 1989, everything changed. When politics no longer had the potential to unleash a nuclear Armageddon upon the population of Europe, it inevitably became

would once have been considered the preserve of the English tabloid,” Garimberti observed. “It is a trend that also applies to the so-called quality press, in the ratio of space devoted to human-interest stories – in particular murders and other crimes – and the political and economic news.”

“**Secondly**, there are the effects of Europe’s economic crisis, though these are more pronounced in certain countries than in others. But it has only added to the marked decline in newspaper sales and the closure of many well-known titles, including the likes of France-Soir and similar papers in Italy and Spain. When I started my career in the 1960s, there were half a dozen evening papers in Milan, Rome, Turin and Genoa. Not one has survived, leaving us with fewer opportunities to prac-

less of a talking point in factories, pubs and homes. As a former correspondent in Eastern Europe, it is a situation that Garimberti has witnessed from different perspectives.

THE FALL OF THE BERLIN WALL

"With the seismic change in Europe that was the fall of communism, the Berlin Wall and the Iron Curtain, journalism started to change, too. In some cases it improved, because the sources became richer, particularly for television. But in many cases it worsened because it gave more importance to lighter subjects and much less to politics and economics. I was a correspondent for six years in Moscow, and worked in Hungary, Czechoslovakia and Poland, and I became very aware of the change in the kind of copy I was being asked to provide."

"At the same time, the amount of space dedicated to European affairs has been sharply reduced. In the 1980s and 1990s, the major dailies would each send three or four reporters to a European summit. For Maastricht, there were six or seven of us from La Repubblica; today, they usually send a single reporter. I was the International Desk chief at La Repubblica in the 1990s and we had to fill six to ten pages of world news every day. Now it is two to three pages, but it is no different in the other Italian papers. It just reflects a perception that there is less interest among readers for the major European issues today. By contrast, there is a far greater focus on our own backyards. Domestic politics in the Italian press can sometimes take up ten pages in great detail, with little or nothing being placed in a European context. And it is the same with television, whether in Europe or the United States. Sometimes you have to wait up to fifteen minutes of a main news programme before

"IN THE 1990S, WE USED TO SEND FOUR REPORTERS TO A EUROPEAN SUMMIT. TODAY, WE USUALLY SEND ONLY ONE."

you get an international story – unless something extraordinary happens. By contrast, Euronews clearly has a focus on Europe, as seen from a European perspective. But we are an exception."

A FAILURE TO COMMUNICATE

If history and the media are part of the explanation for the quality and quantity of coverage devoted to Europe, they are not the whole story. For Garimberti, what he sees as a growing Euroscepticism reflects both the inability of European institutions to communicate with the media and a failure of political leadership. Whether it is the response to the Euro crisis, or the reaction to events in the Middle East, and notably in Syria, Europe's politicians have rarely covered themselves in glory.

"Italy has always been favourable to the European Union but there is a marked tendency in public opinion today to believe that the country's problems and the economic crisis are Europe's fault – with the Euro crisis, a European Central Bank that is felt to be too rigid, and the weight of the Brussels bureaucracy. This view is now being reflected in the newspapers and I believe it highlights a serious problem: that the Commission and the European Parliament are incapable of communicating in a straightforward, understandable way. Euroscepticism is gaining ground everywhere and the response from Brussels and its institutions has been incredibly weak. However, it is also true that Europe no longer has the great politicians it had in



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“WHEN I STARTED MY CAREER IN THE 1960S, THERE WERE HALF A DOZEN EVENING PAPERS IN MILAN, ROME, TURIN AND GENOA. **NOT ONE HAS SURVIVED.**”

the past; the real “fathers of Europe” like Jacques Delors, or the late Robert Schuman and Konrad Adenauer. When Delors was president of the European Commission, he really spoke for the whole of Europe. We just do not have this kind of politicians today and I cannot see any younger versions coming through.”

In fact, that difference in ages and perceptions is not only an issue for Europe’s political elite. For Garimberti, now 70, there is also a significant difference in the people who write about them. “My generation of journalists was a profoundly pro-European one, fundamentally convinced that we would take the European project forward, through the medium of newspapers,” he says. “The current generation absolutely does not share this point of view and that is the big difference. We were Europeanists, they are nationalists.”

THE CHALLENGES AHEAD

If it is a difficult situation today, what about the years ahead? For his part, Garimberti is “pessimistic” about the future of both politics and the media in Europe. However, he is not entirely without hope, or suggestions for at least improving the situation. “Europe needs four or five leaders who are capable of leading the others and providing a fresh European impetus,” he says. “A big

part of this will be whether politicians can set aside their personal egoism and drop this habit of pitching one country against another. It does nothing to counter the relentless move back to a national media agenda, and only encourages the media to talk about the Paris-Berlin axis, and speculate whether it is moving towards a Berlin axis with someone else.” As for the

media, it is time they start setting agendas – rather than just reporting on them. “They need to get away from this backyard mentality and start putting forward new ideas for Europe themselves, rather than leaving it all to politicians. The media are the watchdogs of politics, and it is about time they started to bark.”



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ABOUT

Paolo Garimberti’s journalistic career started with local and then national newspapers in his native Italy, before being posted to Moscow from 1970-76 as a correspondent and subsequently bureau chief of La Stampa. He joined La Repubblica in 1986 as a leader writer, specialising in foreign affairs and returned to the paper as deputy managing editor after a period in charge of the RAI TG2 news service. He became a director of the Espresso Group, before being appointed as chairman of the RAI from 2009 until 2012, when he became chairman of Euronews.

FOCUS

FOREWORD

Ania Skrzypek
P. 28



IN NUMBERS

Aurélien Renard
P. 30



IN NUMBERS

André Krouwel
P. 34



ESSAY

Colin Crouch
P. 36



INQUIRY

ECI: the voice of Europe
Foreword by Martin Schulz
P. 44



COLUMN

Dominique Wolton
P. 56



BEYOND EUROPE

David Kitching
P. 58



INTERVIEW

Jacques Rivoal
P. 64



COMMENTS

Views of Economists
P. 68



2014, EUROPEAN ELECTIONS: CITIZENSHIP IN ACTION

There is now less than one year left before the next European elections. However, amidst the omnipresence of the crisis within their daily lives, these are Europeans with unsteady guideposts who are called to vote. The multiple stakes, which all have the potential to leave a terrible mark on the European “vivre ensemble,” are essentially linked to the capacity of Europe to mobilise its citizens. It is an engagement that progressists must embody, a struggle on several fronts, which Queries chose to explore.



IS 2014 REALLY THAT SPECIAL?

Arguing for a strategy of credible prospects and partisan behaviour.



by Ania Skrzypek

European citizens seem to have lost their belief that electing a European Parliament is exceptional. Throughout the past 34 years, turnouts

have been gradually declining. Next year it is likely to drop even further because of the continuing crisis. The European Union no longer appears as a credible promise of a better future. Social and economic policies seem exempted from citizens' scrutiny, and estranged from serving the goal of building prosperous and fairer societies. In opinion polls, people declare that their focus is on making it from one day to the next. They neither think that they can shape their own lives, nor they trust politicians to do so.

Why would citizens vote in 2014? Political families, including the progressive one, have proposed a number of arguments, which range from traditional appeals such as "this is a historical opportunity to shape Europe"

to "this is the first time after the global crisis", or "there will be top candidates". All of these are valid, but then again, they somewhat

THE CRISIS HAS
LIMITED THE
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QUESTIONS: "WHAT
IS IMPOSSIBLE?"
AND "WHAT
IMMEDIATE EXIT
STRATEGY COULD
THERE BE?"

seem politically polished. If the goal of social democracy is to inspire citizens to vote and change the direction of Europe, more will be required.

DELIVERING CREDIBLE PROSPECTS

Politics of the last five years have been determined by the multilayered crisis. It has set its own rules for deliberating and debating. The long-term perspective has been wiped out, which has undermined ideologies and blurred differences between parties, impoverishing all levels of politics, including the European one. The crisis has limited the debate to two questions: "what is impossible?" and "what immediate exit strategy could there be?" This attitude deprived the European project from the core meaning of its promise: working together for a better tomorrow.

As political distinctions fade away, societies divide themselves according to different lines, defined by parties that play on negative messages and induce feelings of fear. The current European Parliament is already the most fragmented and has the largest percentage of extremist, protest and populist groups in history – and it is possible



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"CITIZENS MAY THEN UNDERSTAND THAT IT MAKES A DIFFERENCE TO VOTE, AS THEY WOULD FEEL **EMPOWERED TO SHAPE OUR COMMON FUTURE.**"

that the 2014 vote may enhance this. The answer lies in changing the terms of the debate. Until now, progressives have entangled themselves in discussions around austerity. It is time to break out of them. If the 2014 elections are to be significant in gaining a democratic mandate for steering Europe towards another direction, progressives must go beyond reactionary bargaining (i.e. "conservatives cause unemployment, we will provide jobs"). Progressives must inspire a feeling of security, empowerment, and ambition among voters; they shall inspire a new understanding that Europe is still the project of the future.

UNITING FOR POLITICAL DISTINCTION

Since its founding, the European Community has been accused of suffering from a democratic deficit. This criticism has centred on the inadequate balance of power between European institutions and the detachment of citizens from European politics. This crisis and austerity policies

provoked street protests in Greece, Spain, and Portugal, which are recent proof that there is still no consent from voters on the present direction of European Union.

The problem still is that discussions on the future of the Union remain entrapped in national contexts. It has been the case during each and every treaty negotiation. Candidates race to give answers on how they plan to protect citizens against the Union's policies, and not how and for what purpose they envisage future cooperation on the European level.

The progressive tradition has always been about commonly constructing a united Europe. It has always assigned primacy to the European Parliament, as the only directly elected institution. To restore this approach before 2014, progressives would need to find the courage to address and overcome the internal divisions that are currently consuming them as a political family. The gaps between centre and periphery, West and East, post-third way and traditional way must be closed. One distinctive call must be made; one that

people can relate to and see top candidates campaigning for. Only then will having one candidate per European party really be an exciting exercise for voters. There is a high chance that the next European elections will be plagued by the same spectre that has been haunting it for the last three and a half decades. But there is still twelve months to do something about it. The challenge to bridge between Europe and its citizens, between politicians and voters is about bringing credible prospects and political distinction. If accomplished, it may inspire new thinking among individuals. They may then understand that it makes a difference to vote, as they would feel empowered to shape our common future.

Ania Skrzypek is a Senior research fellow at the Foundation for European Progressive Studies. She holds a Ph.D. in political science from the University of Warsaw.

THE NUMBERS ARE IN

*One year before the next European elections, the question of citizen mobilisation keeps standing out as the common denominator of its multiplying stakes. Based on their latest survey, **the research institute Gallup** has accepted to shed a light on these voting trends.*



by Aurélien Renard

THE IMPACT OF THE CRISIS ON THE ELECTION

WHAT ARE THE PRIORITIES OF EUROPEAN CITIZENS?¹



72%

EMPLOYMENT / REDUCING
UNEMPLOYMENT



37%

REDUCING THE PUBLIC DEBT
OF MEMBER STATES



35%

PURCHASING POWER / FIGHT
AGAINST INFLATION

Extremist, populist and Euro-sceptic parties will try to capitalise on the growing discontent with European and national leadership, and on the disconnect between citizens and their elites. They will also attempt to flag Brussels as Franco-German turf and as a threat more than a solution. Therefore, the challenge for mainstream and pro-European parties will lie in

shaping a convincing European narrative, in order to win back the European electorate.

Parties may very well succeed in mobilising voters and regain their interest if they can craft a discourse that creates hope while being realistic about what citizens can expect from the Union, if they communicate on acknowledged European achievements and tangible

benefits derived from the membership of their countries, if they build a credible scenario in which the Union ceases to exist, in order to convince an electorate that may be tempted by the anti-European reflex.

¹ *European Parliament Eurobarometer (EB/PE 77.4) Two years to go to the 2014 European elections.*

NATIONAL CAMPAIGN VS. EUROPEAN CAMPAIGN

Europeans now expect the next generation to have less job security, less job satisfaction, less secure pensions, earn lower salaries, spend less time with their families, and have less comfortable housing than their parents' generation.

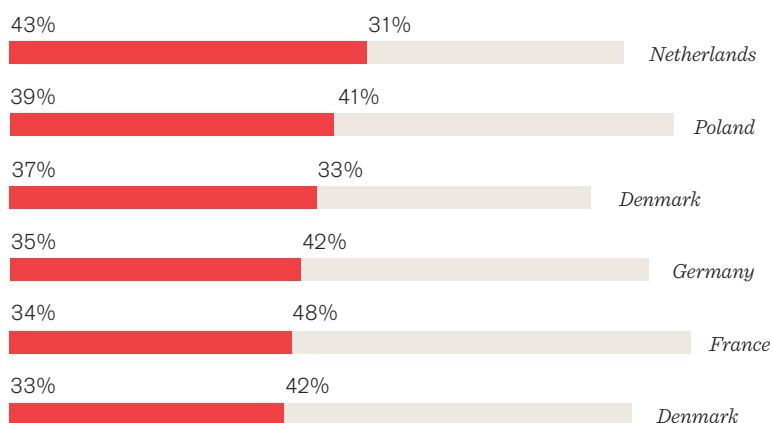
These are the key issues that are currently on most Europeans' mind, and they require an answer to preserve social peace and hope, which is a key driver of individual wellbeing.

From now on, every European political party will nominate a candidate to the Commission's presidency. When we asked if the nationality of this candidate could refrain from voting for his party, our findings showed that a Romanian candidate would be an issue for a relative majority of voters in Denmark, France and Germany. The same phenomenon was present in the Netherlands with a Bulgarian candidate. Surprisingly, a majority of Britons said that if the candidate were British, they wouldn't vote for his or her party. The same was true in Poland and the Netherlands regarding a candidate from their own country. In none of the countries surveyed would a Luxemburgish, Finnish, Belgian or Swedish candidate face such opposition.

² Gallup Europe, "EU Election 2014 countdown: 1 year to go", available at: www.gallup.com/strategicconsulting/162908/election-2014-countdown-one-year.aspx

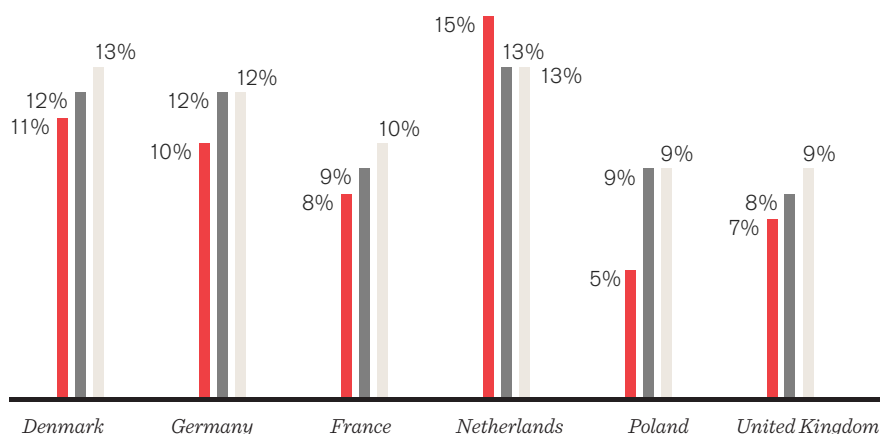
COULD THE PROPOSED CANDIDATE'S NATIONALITY REFRAIN YOU FROM VOTING FOR HIS/HER PARTY?²

Yes, it would (a nationality was mentioned) No, it would not



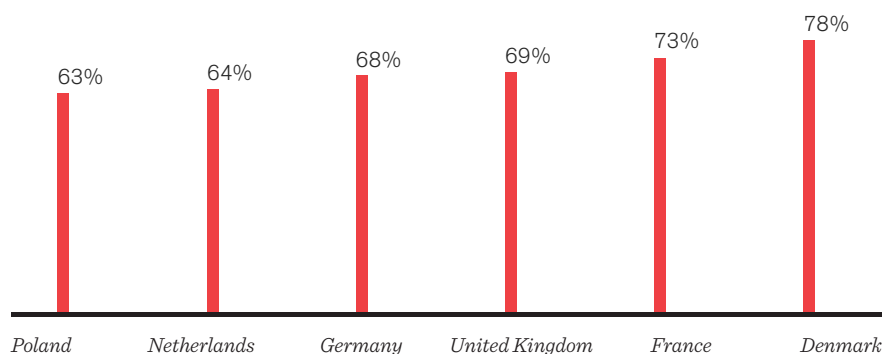
WHICH NATIONALITY WOULD REFRAIN YOU FROM VOTING FOR HIS/HER PARTY?²

The three nationalities cited most often: Bulgarian (red), Greek (dark grey), Romanian (light grey)



A SECOND-RATE ELECTION?

PARTICIPATION IN THE EUROPEAN ELECTIONS IF THEY TOOK PLACE NEXT WEEK²



ARE THINGS GOING IN THE RIGHT DIRECTION IN THE EUROPEAN UNION?²



NETHERLANDS

● 44% No ● 34% Yes



UNITED KINGDOM

● 56% No ● 23% Yes



FRANCE

● 62% No ● 17% Yes

We may witness an interesting paradox next May.

Indeed, even though no other European election has ever been as important, since the Union is becoming the framework of reference for collective political decisions, a majority of citizens may either decide to abstain or express their distrust by voting for extreme or Eurosceptic parties.

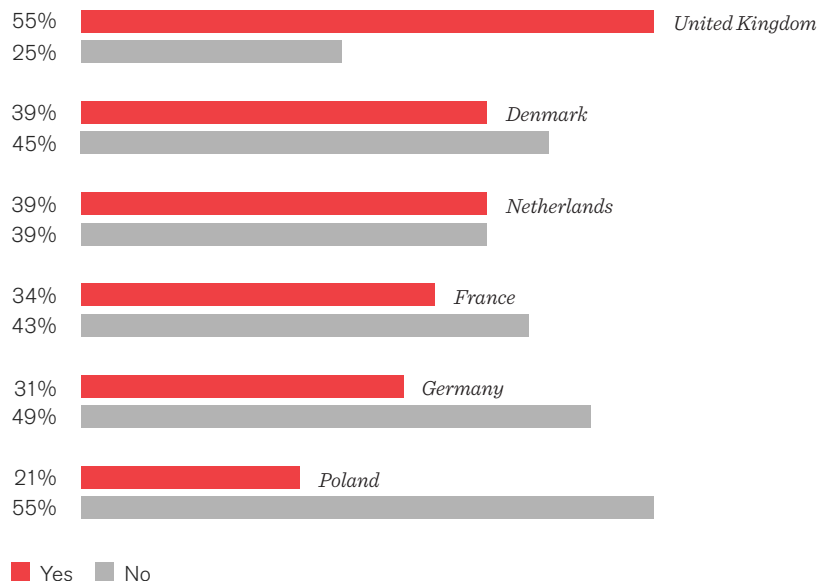
The turnout in European elections has

steadily declined. Many expect this trend to continue although it is still very early to have precise estimates regarding the participation rates in 2014. However, Gallup's findings show that voters who approve of the European Union leadership are more likely to say they would vote in these elections, if they were to be held next week, with the only exception being the United Kingdom. Our survey shows that "things are going

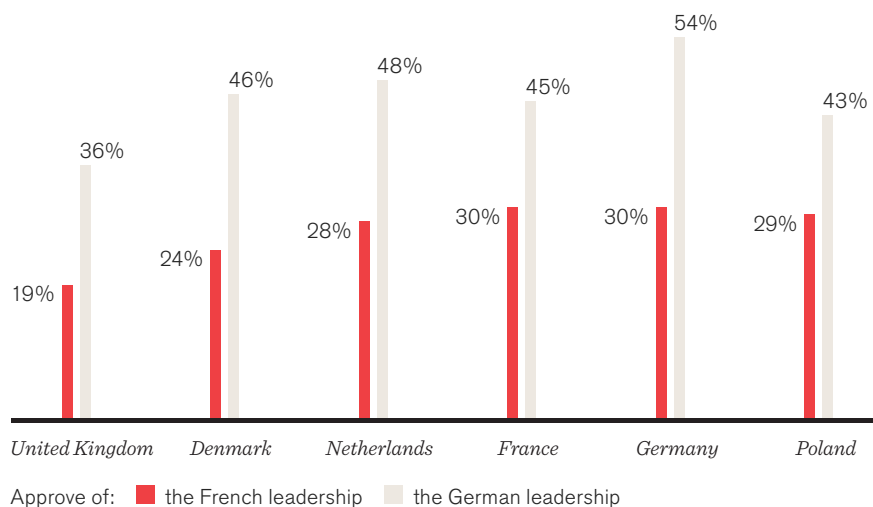
in the right direction in the EU" only for a minority in every country surveyed, regardless of the political orientation of the respondents. The French are the least likely to say "things are going in the right direction" (17%) and more surprisingly, even those French who approve of the European Union leadership are more likely to say that things are going in the wrong direction (42% vs. 34%).

A REFERENDUM AGAINST EUROPE?

WOULD YOU WANT YOUR COUNTRY TO LEAVE THE EUROPEAN UNION?²



DO YOU APPROVE OF THE LEADERSHIP OF FRANCE AND GERMANY IN THE EUROPEAN UNION?²



Behind this election lies the risk of a radicalization of the electorates, with the European Union becoming a European Disunion, which would exclusively pursue perceived national interests, and where populist arguments would prevail.

There may be a discrepancy between the European citizens' social needs and the institutions' perceived ability to fulfil them, which explains the current low level of trust. Nevertheless, when asked whether or not they want their country to leave the Union, only the Britons say they would want out. The situation is also ambivalent in the Netherlands, but in all the other countries, citizens would rather stay in the Union.

Even so, the situation is very polarised between those who approve of the European leadership and those who don't. Besides, while only a minority approve of the French leadership in the European Union, the French being even the most critical, the situation looks better for Germany, despite protests in Europe regularly caricaturing Angela Merkel. Therefore, even though the situation looks currently bleak for many, there is still hope.

FINALLY EUROPEAN VOTERS FACE A REAL CHOICE

One year before crucial European Parliament elections, things look bleak for the European Union. European economies are still struggling to get out of a deep crisis and dissatisfaction with the European Union is rising across the continent.



by André Krouwel

This Gallup poll in six countries shows that very few citizens believe that things are going in the right direction in the Euro-

pean Union. Discontent is highest in the largest member countries, particularly in the United Kingdom and France with respectively 56% and 62% of voters saying the European Union is moving in the wrong direction. Attitudes towards the Union had already become more negative since the 1990s, yet now dissatisfaction seems to be increasing at an ever-faster pace. This acceleration of Euroscepticism is - at least partly - due to the referenda held across Europe on the Constitutional Treaty. These referenda provided a theatre for anti-integration parties to fully make their case to the public and mobilise discontent. Despite this growing anti-European integration sentiment, the majority of political elites are consistently more pro-EU than their voters. This 'EU-enthusiasm gap' is now fully exposed and

results in a serious legitimacy problem for decision-making at the European level. Euroscepticism is hardest and most widespread among politically right-leaning voters. The Gallup data clearly shows that voters who position themselves right of centre are more negative about the direction of the European Union and far more likely to vote

**"THERE ARE
THREE TYPES OF
ANTI-EU VOTERS:
PRO-
SOVEREIGNTY,
ANTI-
NEOLIBERAL,
AND PROTEST
VOTERS."**

for a complete exit of their country from the latter. Yet, anti-European feelings are spread widely across the political spectrum. Voters on the left are also turning against the European project. A recent study published in the Journal of Common Market Research identified three types of anti-EU voters. The first is the traditional pro-sovereignty, anti-EU voter, predominantly found on the right of the political spectrum, often religious and a believer in traditional values. The second type is an essentially non-ideologically driven protest-voter, primarily motivated by the domestic context and politically associated with either the radical right or left. The political front of EU-rejectionism is broadened with a third category of voter - normally from the Left, who is not staunchly anti-European, but who rejects what he or she believes to be the neo-liberal direction of the Union. Together, these groups could easily constitute majorities in a European election with low turnout.

In the United Kingdom, the Gallup poll finds an outright majority that now wants to leave

“IF EUROSCEPTIC POLITICAL PARTIES ARE ABLE TO FORM A COHERENT PARTY GROUP, THE EUROPEAN PEOPLE’S PARTY COULD DISINTEGRATE.”

the European Union. Prime Minister David Cameron, who promised a referendum on European membership in his next term, is facing an uphill battle with EU sentiments turning sourer, particularly on the political right. Three out of four right-wing voters in the United Kingdom now want the country to leave the European Union. These voters constitute the electoral heartland of the Conservative Party, and Eurosceptic parties like UKIP are making strong inroads according to the latest polls. While in other countries Gallup finds smaller proportions of the electorate willing to fully exit the Union, there is very little comfort in the data for those who still believe in European integration. Perhaps some solace can be found in the relative large number of voters who approve of the German leadership. Yet, the poor performance of France at the European level, with even a majority of the French themselves disapproving of their leaders, shows that support for European integration is eroding. With public opinion hardening against the EU and low levels of trust in leadership of the major member states – all in the context of a global economic crisis with the Eurozone in a perilous state – the European project as a whole is under tremendous strain.

There is, however, at least one positive aspect to all this doom and gloom. For the first time, the European Union itself will

become a relevant issue in the upcoming European elections of May 2014, whereas previously national issues dominated. With the economic and financial crisis deepening, a steep rise in unemployment (particularly amongst the young) and vast austerity measures in place in most member states, the Union and the Euro will become more salient. Some will argue that we need stronger supranational institutions, while others contend that we need ‘less Europe and more national state’. The crisis also contributes to the galvanisation of Eurosceptic political parties who will likely make substantial electoral gains in 2014. If they are able to form a more or less coherent party group, the European People’s Party could disintegrate, as members may be tempted to join a new Eurosceptic formation. In turn, this would upset the long-lasting dominance of the Party of European Socialists and the European People’s Party in the European Parliament and alter the decision-making dynamic of the Union. It seems that – for the first time – there is a real and important choice to be made in a European election.

**Nick Startin & André Krouwel, “Euroscepticism Re-galvanized: The Consequences of the 2005 French and Dutch Rejections of the EU Constitution”, 2012.*



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ABOUT

André Krouwel is a Dutch political scientist, professor at the Free University of Amsterdam, and academic director of Kieskompas. After winning the eDemocracy award, Kieskompas joined forces with political scientists from all EU member states to develop a new European-wide Voting Advice Application. EUVOX2014 will help millions of voters across Europe to pick the party that best matches their own political preferences, positioning users in the European political landscape, and including information about the positions of all relevant parties in these crucial European elections. www.kieskompas.nl

POST-DEMOCRACY: *the challenge for Europe*

Changes in society, the economy and class identities are creating a 'post-democracy' in Europe, as elsewhere in the industrialised world. However, there are still opportunities to set a more progressive agenda. Institutional reform, a review of party structures and a more socially-oriented approach to investment could all help to move the ordinary citizen closer to the centre of European affairs.



by Colin Crouch

The European Parliament elections will provide governments and political parties with a series of challenges in 2014, not the least of which is how to engage

with the electorate in what is essentially a “post-democracy.” Let me be clear, however, that I use post-democratic in exactly the same way that the term “post-industrial” society is widely used: it certainly does not mean there is no industry, or that people do not use the products of industry. It is simply that the energy, dynamism and innovation of the economy have moved elsewhere; in this case, to the services sector. By the same token, post-democratic does not mean that Europe is home to non-democratic societies: the institutions are all there and they function. It is simply that the energy and innovation in the political system are no longer to be found in the for-

mal democratic arena, but instead among small groups of elites – notably political and economic in nature; a situation reminiscent of the pre-democratic era. Though many different factors have combined to create this state of post-democracy, there have been two driving forces: a structural change in the workforce and the rise of the multinational corporation in a globalised economy.

DEMOCRACY AND THE WORKFORCE

Looking back, I would argue that strong mass democracies were only made possible by a series

“ORDINARY PEOPLE ARE NO LONGER ABLE TO GENERATE THE AUTONOMOUS MOVEMENTS THAT GIVE SHOCKS TO THE SYSTEM.”

of historical accidents. One was the accident of social classes, who were essentially created by the Industrial Revolution and who struggled to achieve inclusion into the political system as citizens – and in some cases struggled to exclude others from that. In many societies, there was a similar dynamic around the inclusion and exclusion of various religious identities. These struggles were at times violent and horrifying. However, they eventually gave way to a set of compromises whereby such identities were accepted and a more or less peaceful form of

system; that post-democratic polity is very much controlled by political elites who rely on marketing techniques and market research, of which ordinary people are simply the passive recipients. The net effect of this decline in the ability to base identities on social-economic positions is that the main terrain of socio-economic struggle enjoys very little popular energy.

EXCEPTIONS TO IDENTITY LOSS

That said, I also recognize that a number of exceptions exist to refute this argument, with the three notable ones being feminism, the environmental movement and populist xenophobic parties. I believe that feminism, in particular, still has a great deal of potential to effect change. Although most people see the women's movement as being outside the realm of class identity, an interesting feature of the occupational groups of post-industrial societies is that women are either equal to or often far exceeding men in the number of their workers. If politically relevant occupational identities do develop in post-industrial society, they will very probably be defined primarily by women. The environmentalist movement meanwhile also continues to produce an agenda that is uncomfortable for elites, and one that they certainly have not generated themselves. As for the racist, xenophobic movement in Europe, it is very clearly based on national identity and represents a disturbing return to attitudes that last held real currency in the 1930s.

DEMOCRACY AND GLOBALISATION

Alongside these structural changes, the second driving force in post-democracy is globalisation, whose development I believe has created a fundamental problem for national governments: namely, that democracy is essentially a phenomenon of the nation state – or of lower, more local levels – while the modern economy is not. An economy cannot be managed on a purely national basis, as the multinationals are not

“WOMEN WILL DEFINE THE OCCUPATIONAL IDENTITIES THAT COULD DEVELOP IN POST-INDUSTRIAL SOCIETY.”

conflict – based on respective vested interests – was enacted through the electoral system. Clearly, this occurred in different ways and to different extents within Europe but by the third quarter of the 20th century, the existence of these social classes and religious groups as citizens had been accepted. It proved to be a relatively short-lived period of stability – at least as far as the structure of employment was concerned. From the 1970s onwards, societies in Europe and the United States ceased to have a growing industrial population – as jobs moved instead to the service sector. What is significant about this sector and its occupations is that they were born at a time of universal citizenship. Those working in them do not therefore have identities that were involved in struggles for inclusion or exclusion, and they do not feel any need to develop an identity to struggle for political rights, or to make particular political claims. Indeed, the central thesis of post-democracy is that ordinary people are no longer able to generate the autonomous movements that give shocks to the

Key Points

- ♦ *Economic power now imposes its will to political power, which softens the rebellious spirit of its citizens.*
- ♦ *The European Parliament is itself a child of post-democracy.*
- ♦ *Priority should thus be given to their empowerment.*

subordinate to individual jurisdictions. We have seen this incapacity of national democracy in the management of the 2008 financial crisis and the consequent euro crisis. When the financial crisis struck with the collapse of Lehmann Brothers, the priority became saving the banks from their own misdeeds; this, in turn, has led to enormous pressure being placed on ordinary citizens who are required to bear the cost of bailing out the banks and suffer the associated cuts in public spending. This is post-democratic, especially in the form taken with the Greek and other bank rescues, where political deals have been brokered behind firmly closed doors between banks, governments and the European Central Bank. Citizens of those countries have been entirely excluded from the deal-brokering process and simply informed afterwards "it is the price you have to pay." Though portrayed by those involved as Germany and France rescuing the likes of Greece from their mistakes – this is not really the case. They are actually rescuing the German and French banks that lent to irresponsible Greek governments, and did so because they were part of a financial system that banks believed could continue to be irresponsible in perpetuity.

A EUROPE OF MIXED MESSAGES

The economic crisis is clearly having a huge impact on Europe, and is doing so at a time when its institutions in the form of the European Parliament are taking one step forward – and one step back. The step forward is that the parliament represents a reaching-out of democracy that goes beyond the nation state; it is the only institution in the world like it. Though it may often be criticised for being weak, the parliament is at least present in a zone that democracy currently does not reach and, as such, should be treasured. The parliament is also a lot more vigorous today, compared to when it was an appointed assembly; it has an agenda, it ventilate issues and it pushes for policies. Admittedly, it usually loses if there is a confrontation with the European Commis-

"THE EUROPEAN PARLIAMENT IS ITSELF A CHILD OF POST-DEMOCRACY."

sion, but it is certainly a more vivid institution than before it was elected.

The step back is that the parliament is itself a child of post-democracy. It was not created by people fighting to gain access to citizenship, or by popular, grassroots movements demanding a democratic level to run alongside the bureaucratic and elite levels. It was decided at the top and then handed down as a prerequisite for the European project. In that sense, the European Parliament is a pure example of post-democracy: the democratic institution exists but there is not a lot of life in it, and there are a number of reasons for this: one is the extreme reluctance of national politicians to allow that level of democracy to develop, partly because they wish to maintain control of how the European institutions work and partly because they are very reluctant to share with the European Parliament. By contrast, they are very keen to claim their democratic legitimacy in their relations with the other European institutions. But when faced with a given problem, very rarely will politicians tell voters that they intend to "work hard with their European partners" to tackle it. Even if national politicians do subsequently use Europe to find a solution, the overwhelming temptation is to claim the credit on a strictly unilateral basis. And yet, if they communicated a sense of sharing a common fight with other European countries, and a desire to achieve something that is only realisable at a supranational level, I believe that such a rhetoric would create livelier European politics. It would also represent the kind of 2014 electoral campaign that might actually resonate with European citizens. Otherwise, the very real danger is that next year's elections become far more about people voting to prevent Europe from taking action – and far less about inspiring it to achieve.

BRITAIN AND THE EURO CRISIS

Britain has provided a striking example of this ability to undermine the role of European institutions in its attitude to the handling of the euro crisis. A charge levelled by British politicians, including the likes of former chancellor Nigel Lawson, is that the Europe Union has been undemocratic in its dealings with southern European countries. However, one reason why European institutions including the parliament have been unable to play a role in this crisis is precisely because of David Cameron's decision to veto the use of those institutions at the Council of Ministers in December 2011. His decision meant that all the initiatives for the euro zone would have to be developed on an ad-hoc basis, thereby handing the elitists their chance to create a structure suiting their interests. Had the veto not been used, the European Parliament would have been in a position discuss the treatment being meted out to Greece, and a far more European-wide voice could have been heard. Admittedly, the bankers, rather than the European institutions, would still have taken the lead role. But the parliament in Strasbourg would certainly have been more effective.



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At another level, Britain's veto is symptomatic of the fact that post-democracy varies considerably in tone between different countries. The most extreme form of the phenomenon is certainly Silvio Berlusconi's Italy, where a commercial enterprise was able to turn itself into a political party and to successfully take power, protecting its leader from a series of investigations by the legal system in the process. That said, there are also major questions to be asked of Italian citizens as to how that could be allowed to happen in the first place and why there was no real opposition. At the other end of the scale, the Netherlands and the smaller countries of northern Europe are still quite lively democracies. Moving eastward, however, it is particularly depressing to witness the speed with which some central European countries have moved from fighting for democracy to becoming post-democracies. Here, the struggle for democracy did not result in political parties with deep roots among citizens, but instead fostered parties whose identities were frequently subject to change and whose governments were desperate to please overseas investors.

THE SUPRANATIONAL CHALLENGES FACING EUROPE

Clearly, Europe faces a number of challenges at national level, according to context. However, there are also a number of pan-European issues that can only be resolved at a supranational level, the first of these being the need for some form of mechanism to re-regulate the global financial system so as to avoid a repeat of 2008. Individual countries cannot do this, but Europe as a whole certainly can – despite the dead weight of the British, who appear to have a different agenda. There is a clear and much-needed opportunity here for the EU to achieve something positive in the sphere of regulation. Secondly, there is an opportunity to reverse the trend in Europe to move social policy from public provision to markets. This trend is very clearly

creating conflict, for example in certain northern European countries, between social protection legislation, collective bargaining systems and trade union rights achieved at a national level and the competition policy being imposed at an European level. As a result, certain governments will again see their role as limiting what Brussels can do, in order to safeguard national achievements. This only serves to make Europe appear more remote from its citizens. In short, there is a need to recapture the original Delors social agenda, running alongside the market agenda, so that people feel they can look to Europe as creator of social policy. History teaches us that moves to extend markets have to be accompanied by social policies to remedy the negative externalities that markets create but cannot resolve. It will be disastrous for the European project if it is associated only with the former, hostile to the latter.

THE THREAT OF EXTREMISM

Strengthening the social agenda is important for many reasons, not the least of which, in the context of the 2014 elections, is the need to counter the rise of political extremism. The rise is being fuelled by globalisation – to the extent that it is not compensated by social policy, by feelings of economic insecurity and by the ability to identify immigrants and cultural minorities as being to blame. As the 1930s amply demonstrated, it is far more comforting to place blame on relatively defensive minorities, rather than powerful institutions. Indeed, the period between the end of World War II and the start of the 1990s – when two generations of Europeans vowed never to use foreign or ethnic minorities as scapegoats – may ultimately prove to have been a highly unusual episode in our history. The horrors of Nazism do not reach out to people today with anything like their former immediacy or potency, and human society sadly has a long, documented history of persecuting its minorities.

It is perhaps not surprising, therefore, that in a context of globalisation, precarious employment and high levels of immigration, these xenophobic, nationalistic movements are beginning to return. Another factor at work here is a fundamental human need to belong, and to have a sense of identity. Since those pertaining to class and religion have declined markedly in recent decades, as we saw earlier, certain social groups feel they only have their national identity left. And whilst that can be expressed by cheering on a football team, it can also mean hating people who do not share that identity. And in a society where identities tend to be muted and where electoral competition between mainstream parties on the economy can be a particularly pallid exercise, stirring up national identities provides its instigators with an extremely powerful weapon. Indeed, such a party need not be economically competent to take and retain power. In past decades, the Ulster Unionist Party's competence in managing the economy of Northern Ireland was largely irrelevant; what counted for the then majority of the population was simply that it was a Protestant party.

ONE PROBLEM, THREE SOLUTIONS

With the 2014 elections on the horizon, Europe appears increasingly to be at a turning point, with post-democracy clearly representing a significant challenge to the European project. However, this does not imply that the project is doomed to failure, or that it is too late for its citizens to seek greater representation. In so many spheres of human activity and not only politics, there is a

“IN ORDER TO SAFEGUARD NATIONAL ACHIEVEMENTS, CERTAIN GOVERNMENTS WILL SEE THEIR ROLE AS LIMITING WHAT BRUSSELS CAN DO.”

European level today that simply did not exist before. The European Trade Union Confederation and the European Trade Union Institute, for example, are attempting to develop shared agendas among those they represent. Indeed, the very existence of organisations such as FEPS and the Policy Network shows there is political life outside elite circles at the level of Europe. It may be weak, but it is there and it is important to help it grow. The parliament and its elections are, I believe, a part of that process. However, they are not the only route to reconnecting with European citizens.

“STIRRING UP NATIONAL IDENTITIES CAN BECOME **AN EXTREMELY POWERFUL WEAPON** IN A SOCIETY WHERE THEY TEND TO BE MUTED.”

My contention is that there are **three other ways in which Europe can attempt to meet the challenges of post-democracy:** namely through institutional reform, party re-orientation and the social investment welfare state.

It would actually be very simple to put more life into European democracy – by having the European Commission chosen by the European Parliament. At a stroke, the Commission would gain in democratic legitimacy, the Parliament would gain significantly in importance and political parties would genuinely produce a European level of operation, rather than being the very loose coalitions we have today. Unfortunately, nation states are highly unlikely to do that – since their appointment of the Commission represents a significant lever of control. Yet until that fundamental change is made, the European Parliament will continue to resemble that of pre-1918 Germany: one that could hold debates and pass laws, but could not install or dismiss the government – which was appointed by the Kaiser. Such is the relationship that currently exists between Strasbourg and Brussels.

REACHING OUT TO THE FACEBOOK GENERATION

The second area involves first exploding a popular myth: that the declining membership of traditional parties and trade unions, along with the periodic bouts of low voter turnout, are proof that young people – in particular – are apathetic about political action. Nothing could be further from the truth. The hollowing out of party politics has not created a passive citizenship that just sits around doing nothing. Thanks partly to the Internet, our present period is witnessing a great wealth of campaigns and movements, championing an equally rich variety of causes. Every multinational company now has one campaign or another dogging its tail because of its practices, while tax avoidance by major corporations such as Starbucks and Google is being highlighted today in a way that would have been unthinkable even five years ago. Put simply, citizens are finding other ways of expressing their concerns. The formal party model of Annual General Meetings, congresses and parties presenting themselves for elections may have





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become somewhat lifeless, but there is very clearly a richness of debate and direct action out there. The question is how can parties connect with that ecosystem and be invigorated by it. The answer lies in a willingness on both sides to engage, though this is easier said than done.

Parties are afraid of being associated with movements they cannot control, and a degree of wariness may indeed be healthy. The fear that haunts politicians in these circumstances is of a damaging publicity backlash, triggered by the actions of a group with which they are associated – but over which they can exert no control. By the same token, movements are very suspicious of parties, as they fear being taken over and suffocated. However, the two sides need each other's resources and the challenge for both, which certainly exceeds the scope of the 2014 elections, is to find a *modus vivendi* for working together. Both will gain by taking some risks.

THE NEED FOR CHANGE

Though the focus here is very much on the future, there is an important historical point to bear in mind when discussing party politics and the Facebook generation. Political parties have undergone considerable organisational changes during their lifetimes, having often started out as the small creatures of central elites before becoming mass movements in their own right.

I would argue that the political parties and trade unions, with their centralised, bureaucratic structures and perceived isolation from their own memberships, belong to a form of society that we are leaving behind us, and have effectively become post-democracies themselves. Plainly, this is not how people who seek affirmative action are engaging today. They are attracted instead by other – often Internet-based – forms of communication. Parties may be very slow to change, but they can and must.

Several of the themes we have discussed separately – the need for European institutions to engage with ordinary people, the Commission's duty to assume its supranational responsibility for moderating the forces of globalisation on behalf of its citizens and the importance of dialogue between movements and parties – are very closely inter-related. European institutions will only square up to the problems produced by multinational capitalism if there is a much stronger citizen input; if public officials and corporate elites are allowed to cosy up to one and other, it provides both sides with a very quiet,

**“POLITICAL PARTIES AND
TRADE UNIONS HAVE BECOME
POST-DEMOCRACIES THEMSELVES.”**

"IT IS ONLY WHEN PUBLIC OFFICIALS AND CORPORATE ELITES FEEL THE HEAT OF POPULAR ANGER THAT **THEY ARE SUSCEPTIBLE TO CHANGE.**"

pleasant life. It is only when they feel the heat of popular anger about such activities that they are susceptible to change. The anger generated recently in the United Kingdom by the deals struck between the British tax authorities and multinational corporations contrasts sharply with the tranquil relationship that both sides enjoyed when there was no transparency in their affairs.

IMPROVEMENT THROUGH SOCIAL INVESTMENT

The final mechanism through which I believe real change can be delivered is through what scholars have been calling the social investment welfare state. Though it will be played out in different forms, a key battleground in the 2014 elections will almost certainly be the debate over whether austerity or expansionism can solve Europe's economic crisis and get millions of people back to work. However, if the objective is for Europe to achieve high-quality economic performance it needs neither simple austerity nor simple expansionism, but instead a re-orientation of public spending in order to upgrade economies, to increase the skills of workforces, provide a degree of security that enables people to take risks in their working lives, and to improve infrastructures. This presents a tough challenge to those countries, mainly in southern Europe, whose welfare states are undeveloped and excessively devoted to providing rather regressive transfer payments and buying political support. The way in which public resources can be used to improve economies rather than be a drain on them is an issue we face at a national and a

European level. Though I doubt whether parties will actually develop an election agenda around that in 2014, I firmly believe they should.



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ABOUT

One of Europe's leading sociologists, *Colin Crouch began his academic career as a sociology lecturer at the London School of Economics in 1969, before later teaching at Oxford University. He was Professor of Sociology and chaired the Social and Political Sciences department at the European University Institute at Florence from 1995 to 2004. He was then Professor of Governance and Public Management at the University of Warwick Business School until retiring in 2011. He is an external scientific member of the Max Planck Institute for the Study of Societies, Cologne and is currently working on problems of risk and insecurity in European labour markets. He is the author of Post-Democracy, The Strange Non-Death of Neo-liberalism and Making Capitalism Fit for Society.*



ECI: *the voice of Europe*

By giving citizens the right to table their own political initiatives in 2007, the Treaty of Lisbon marked a major democratic milestone by getting them closer to the European Commission. This innovative step forward was introduced by the regulation (EU) No 211/2011. Its goal is to strengthen the sense of citizenship among EU citizens by allowing them to propose a topic that will then be debated by the European Commission. A little more than a year after the ECI was first launched, its track record remains mixed because of a lack of visibility across Europe and the unwieldy conditions of admissibility governing registered initiatives, among other factors. Yet neither of these problems is insurmountable.



by Olivier Breton and Pascal Béria

FOREWORD

The idea behind the European Citizen's Initiative (ECI) is a simple, but powerful one: to give European Union citizens a greater say

in EU affairs. It is the very first experiment in participative democracy at an EU level and an opportunity for people in 27 countries to connect with each other, to organise themselves around a particular issue and to help set the agenda. By making their voices heard in this way, they are also expressing their sense of being a citizen of Europe, and contributing to change. For the first time, the forthcoming elections will see the president of the European Commission being elected by the European Parliament – instead of being appointed by the heads of government, as in the past.

The parliament has also had a pivotal role in creating the ECI, notably by fighting tooth and nail to make its rules as straightforward as possible and applicable on a mass scale via the Internet. That said, what ultimately counts is how well it works for people in practice. I believe that many of them will already have a European perspective and will be comfortable with the idea of initiating a pan-European idea. However, I also see the ECI as a way of awakening a sense of European identity that lies dormant among many of EU citizens. It could inspire people to get a better understanding of what the EU institutions really do and to realise they can be just as attentive to the concerns of ordinary people as national governments – if not more so.

Meanwhile, the ground rules for the ECI are clear. The initiatives have to fall within the sphere of the Commission's competence and a due process has to be followed – admittedly one that will break new ground for European Union citizens and institutions alike. Members of an ECI committee will need to meet tight deadlines and abide by rules on transparency and the collection of signatures. They will also need to put their arguments convincingly to the European Commission and European Parliament and, if they are successful, then follow the legislative process. It is a major organisational challenge.

BEYOND THE INSTITUTIONAL COMFORT ZONE

However, there will be challenges too for the EU institutions, which will need to think outside the box – or at least outside the familiar triangle of the Commission, Parliament, and Council. The proposals put forward by citizens could potentially be more radical and imaginative than those of the Commission. For the ECI to be a success, therefore, these institutions need to learn how to open up to people and not stay entrenched within their comfort zone.

This is particularly important when you consider the wider context of the ECI – that of a Europe where people have become disillusioned with the political establishment and believe the elite has focused on restoring the financial system rather than creating growth and jobs. I remember talking to a young Spaniard who was highly qualified but jobless, and who asked me

how Europe was able to find €750 billion for its banks, but not a single euro for young people and the unemployed.

Unsurprisingly, that sense of disillusionment has translated into a rise in street protests and a fall in voter turnout at elections. Yet it is our role as politicians to restore a belief in politics as a force for change. We need a debate about Europe: not one along the lines of “for or against” but rather “what kind of Europe do we want?” One with a social emphasis, one that is subject solely to the laws of the market, a Europe based on political choices? I believe the forthcoming European elections are an opportunity to start that debate.



Martin Schulz
President of the European Parliament

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In 1992, the Maastricht Treaty officially recognised “every person holding the nationality of a Member State”¹ as a citizen of the European Union.

The initial goal was to encourage citizens to identify with Europe and to develop their sense of civic responsibility with regard to political life in the Union. More than 20 years later, the results have been mixed at best.

However, according to a Eurobarometer survey conducted in autumn 2012², more than six out of ten Europeans (63%) consider themselves EU citizens. This is an increase of 2% in the six months since the previous survey. Even more encouraging is the fact that 45% of Europeans claim to know their rights as citizens of the European Union and 62% are keen to find out more about the issue. The sense of belonging to a community and the interest in the ensuing rights would seem to indicate a certain level of European awareness. Yet this does not account for the lack of commitment on the part of these same citizens when it comes to democratic elections in the Union. The 56.5% abstention rate in the 2009 European elections reveals a lack of involvement in and a lack of clarity of the EU political policy.

To offset this democratic deficit, the Lisbon Treaty paved the way for European Citizens’ Initiatives (ECI), allowing any national of an EU country to take part in the legislative process in a bid to shift the democratic goalposts towards a system of participation and encourage transnational public debate. However, a number of conditions do apply: to qualify, an initiative must be proposed by a committee of

citizens from at least a quarter of EU Member States, which now means that no fewer than seven countries must be involved. Initiative organisers are then given twelve months to collect the one million signatures needed to have their proposal examined by the Commission and, if successful, obtain a hearing at the European Parliament.

Approved by the European Parliament on 15 December 2010 by 628 votes to 15, with 24 abstentions, the ECI achieved a broad consensus among elected representatives. Some have cited it as one of the most innovative aspects of the Treaty of Lisbon. It was also the first such system to be introduced on a continent-wide scale, giving rise to major political and organisational challenges. “This is the starting point for the European debate,” says Zita Gurmai, MEP and co-rapporteur on the citizens’ initiative. “It is a transnational discussion that extends beyond regional, local and even national considerations to focus on a resolutely European issue.” In short, there were high expectations of these initiatives as a means of gauging European citizens’ involvement in the life of the Union.

UNWIELDY CONDITIONS OF ADMISSIBILITY

Although there is no question that this experimentation was a major breakthrough in terms of participative democracy and workings within the European Union, it has come under fire for its red tape and the complexity involved in preparing and submitting initiatives. The result is a real obstacle course that makes individual initiatives difficult to pursue. The process is a realistic option only for well-organised groups, such as NGOs like Greenpeace and its moratorium on genetically modified crops, introduced in March 2012, which

The ECI founding article

*“Not less than **one million** citizens who are nationals of a **significant number of Member States** may take the initiative of inviting the Commission, **within the framework of its powers**, to submit any appropriate proposal on matters where citizens consider that a legal act of the Union is required for the purpose of implementing the Treaties.” (Article 11(4) of the Treaty on European Union).*

Key Points

- ♦ *The ECI allows citizens to require the European Commission to study their claims.*
- ♦ *Despite its red tape, it helps boost civic engagement in Europe.*
- ♦ *Several successful examples in the world could inspire the Union.*

¹ Article 17 of the Treaty on European Union (“Maastricht Treaty”)

² Standard Eurobarometer 78 – Autumn 2012



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was a real success, collecting over one million signatures in seven months. Nevertheless, one should note that it was not an ECI, since it was launched well before April 1st 2012 and the official start of the ECI programme. Yet this test alone was proof that the European citizens' support of an ECI depends on the topic, which should truly affect society, as well as on the organisational capabilities of its initiators. It also revealed the limitations of the process and the complexity of an ECI approach that is ostensibly out of reach for the average citizen—not everyone can claim to have the

names of people from six other European countries in their address book...

There are also clear constitutional reasons why the Commission should reserve the right to reject initiatives during the registration process. These might include issues on which it does not have competence to legislate or which infringe upon human rights. It is also important to ensure that certain highly populist-but-unconstitutional issues, such as restoring the death penalty, cannot be pushed through. Take the Swiss model, for instance, which is often used as a touch-

stone for participatory democracy: although it often proves effective, the system revealed its limits in 2009 when a popular initiative championed by the Swiss People's Party (SVP) led the country's citizens to support the imposition of a national ban on the construction of minarets, embarrassing the Swiss government and discrediting methods of direct democracy on such issues. This is a lesson to remember if we are to prevent citizens' initiatives from creating a constitutional impasse and running contrary to their initial purpose by causing a rift between citizens and their representatives.

RELAXING REQUIREMENTS TO PROMOTE EMPOWERMENT

From a legal standpoint, once deemed eligible, European Citizens' Initiatives require the Commission to examine the tabled initiative but under no circumstances do they require the Commission to legislate on the matter. In this context, the Commission must remain sovereign with regard to the final decision regarding constitutionality. This subtle distinction is important in that it prevents lobby groups from deliberately obstructing the European law-making system with matters that are anti-constitutional or incompatible with the values upheld by the Union. However, it is also potentially a factor that can discourage people from using the system: even though citizens' involvement can be tenuous and fickle to say the least, it is important to ensure that the very complexity of pursuing a constitutional initiative is not in itself an obstacle to impetus and empowerment when it comes to using this democratic tool. That said, these reservations must be taken in context: it is hard to imagine the European Commission sidelining any issue that garners the support of one million signatories without the risk of seeing the debate slip its grasp and shift towards other channels available to citizens.

The imbalance in the method of collecting signatures also needs to be addressed. The procedure leaves it up to each European country to ensure the process runs smoothly. Yet there is no harmonisation in ballot methods used within the Union. To date, only Estonia has managed to develop an e-voting system compatible with voter identification. The fact that all European countries do not have the same type of ID card, for instance, could hinder attempts to input and check information.

Jürgen Meyer³, professor at the University of Freiburg and one of the founding fathers of the ECI: "There is still too much red tape that prevents citizens from having direct access to Europe. Take the process of collecting signatures, for instance. Citizens who choose to sign an initiative will be required to provide their passport number or social-security number. And even if you convince them, the person will sign but then say she does not have her ID; she may even feel it is a violation of her privacy. And that will basically be the end of it."

THE ECI: DEMOCRATIC TOOL OR BRUSSELS TOKEN?

All of these sticking points have cast a cloud over the European Citizens' Initiative, leading to doubts over its ability to gain a groundswell and, perhaps more worryingly, fuelling scepticism over its influence on European affairs. A little more than a year after the initial launch, 27 initiatives have been registered but only 15 are still ongoing, the majority of which will likely never reach the required one million signatures (*see table p.53*).

"ONLY FIFTEEN ECI ARE STILL ONGOING, THE MAJORITY OF WHICH WILL LIKELY NEVER REACH THE REQUIRED ONE MILLION SIGNATURES."

So what purpose was served in rallying European citizens to a cause that at best leaves scope for improvement? Mickaël Malherbe, author of the French blog "Decoding Euro-

³ *Interview with Jürgen Meyer: the bureaucratic burden on the citizens' initiative.*

pean communication", has been following ECI developments closely: "European initiatives were never really timely since nobody ever actually asked for this kind of system in the first place. In a way, the initiative is an institutional anomaly within the EU in that it only affects the Commission. It needs to be made part of Europe's true political landscape." For instance, citizens' initiatives give rise to questions over how to harmonise protection of online data across Europe. This is a hot topic in Brussels, backed by countries such as Germany, France and the Netherlands, which have already put in place data-protection officials with a view to ensuring that personal information is made secure without ever penalising a booming digital industry.

Communication is basically central to the campaign to promote efficiency. Zita Gurmai: "The number of initiatives registered to date, their European outlook and the fact that they put forward some innovative ideas all give me reason to be optimistic. I feel that European citizens understand their added value even though many of them have never heard of the ECI. This is unacceptable and it is vital that we address the matter. Not just in terms of the ECI but in terms of how we can communicate more effectively to citizens, especially with regard to their rights and the resources available to them as European citizens." The findings of the European Parliament's Eurobarometer⁴ survey on European citizenship show that **70% of Europeans have never heard of the European Citizens' Initiative and 62% believe the criteria requiring a million signatures in seven EU countries cannot be met.** These results would appear

to suggest that current contributors to registered initiatives are already extremely invested in European political life and are aware of the workings of the parliamentary system. Once explained, the ECI is favoured by 29% of Europeans as a means of making their voice heard in Brussels, closely behind

"70% OF EUROPEANS HAVE NEVER HEARD OF THE ECI AND 62% BELIEVE THE CRITERIA REQUIRING A MILLION SIGNATURES IN SEVEN EUROPEAN COUNTRIES CANNOT BE MET."

the opportunity to vote in European elections. Traditional voting rights are still seen as the most effective means of having an impact by 57% of respondents. This is another result that reveals the importance of effective communication and the popular support garnered by the tools of participatory democracy once they are clearly explained. It is therefore important that we promote touchpoints on these issues. It is the responsibility of Europe's institutions and the duty of its citizens to raise awareness of the right to pursue such initiatives. And although this communication campaign is an ongoing process, there are naturally times when it is far easier to draw citizens' attention to European issues, such as during the European elections.

EXPOSURE AND THE IMPORTANCE OF COMMUNICATIONS

While the Internet has clearly made it easier to collect more signatures, the technology does not necessarily reduce the costs associated with communications. Yet promoting an initiative on a European scale requires investment in tools, both digital and conventional, along with the need to translate

A progressive cause

While the ECI is justifiably seen as one of the most innovative aspects of the Treaty of Lisbon, the terms and conditions governing its application initially led to political conflict in the European Parliament over the way in which it should function. A Green Paper published by the European Commission raised a number of questions regarding the minimum number of Member States represented, the reliability of online voting, conditions of admissibility, and signature certification. This notion of resource accessibility is something the Progressive Alliance of Socialists and Democrats (S&D) committed to support throughout the debate in the European Parliament; a factor undoubtedly instrumental in shaping the success of the ECI.

⁴ Source: European Parliament Eurobarometer (EB/PE 77.4) Two years to go to the 2014 European elections.

content into several languages and distribute that content across an entire continent. These are resources that an “ordinary” citizen keen to table an initiative does not necessarily have at his or her disposal.

However, the ECI has the advantage of being part of an open framework that provides scope for continuous improvement, as seen in the Commission’s decision to use its own servers to host initiatives following technical problems with IT systems in the early stages of the project. This adjustment led to a six-month extension in the time frame for collecting the required amount of signatures for the first initiatives. In any event, the Commission is scheduled to conduct an initial assessment of the system’s efficiency as of April 1st 2015, followed by subsequent reviews every three years to iron out any wrinkles in areas such as deadlines and the required number of signatures. Some observers have suggested that these assessments are too far apart. Yet they do provide scope for con-

tinual fine-tuning, with a model able to adapt over time. “I know some people are already requesting rule changes but I think that is a little premature”, says Zita Gurmai. “We need a full evaluation before starting that kind of process. There is still a lot to be done before the scheduled assessment in 2015, such as developing dialogue between organisers and civil society. We need to take their experience into account, make it easier to collect signatures online and begin talks on centralising the procedure. What is more, we have to reduce

“ALTHOUGH THE COMMISSION
ULTIMATELY HAS THE RIGHT TO
IGNORE THE VOICE OF THE PEOPLE,
**IT IS OBLIGED TO TAKE THEM INTO
ACCOUNT, IF ONLY TO MAINTAIN
ITS POLITICAL CREDIBILITY.”**

ECI-related costs wherever possible and develop our communications.”

BRINGING CITIZENS CLOSER TO THE EUROPEAN POLITICAL PROCESS

On 18 April 2013, Maroš Šefčovic—European Commissioner for Inter-Institutional Relations and Administration—praised the ECI as a tool for participative democracy at a plenary session of the European Parliament. If there is one issue on which the majority of MEPs agree, it is that the ECI represents a first big step for the Commission towards its citizens, providing a tool for them to express their concerns directly and correct any institutional shortcomings where needed. And although the Commission ultimately has the right to ignore the voice of the people (giving rise to one of the main reservations with regard to citizens’ initiatives), it is nonetheless obliged to take them into account and answer them, if only to maintain its political credibility. The criteria for registering and approving an ECI are already an inherent guarantee of due appreciation and consideration on its part. Herein lies the real appeal of the ECI: this direct link, this connection between the citizen and the legislative process; something that can help forge a still-hazy European identity. The

Towards a democratisation of participative tools?

Thanks to the increasingly widespread availability of the Internet and the tools of participatory democracy, what was a utopian model at the time of the Maastricht Treaty is now a reality. Even though the postal system remains an option in the interests of fairness, the Internet clearly offers a single resource able to disseminate information in a uniform manner and at a reasonable cost. Yet it is also a system that emphasises the digital and linguistic divide between countries, leading to very tangible concerns. How can we overcome differences between nations such as the Netherlands (where 93% of households were connected to the internet in 2011) and Greece (42%)⁵ to ensure equal access to information? By the same token, can we ensure equivalent access for all European languages, even the most marginal? There is still a lot to be done and we must bear in mind that we are only just beginning to develop the functionality of these resources; their full potential has yet to be revealed.

⁵ Source: European Commission, Eurobarometer Special Survey 381, December 2011.

ECI is therefore a tool that is very different from the petitioning right.

ECI: PROMOTING CITIZENSHIP

Paradoxically, the ECI shows the boundaries of European citizenship even though this is the very thing it is intended to develop. Such a tool is, however, essential because it represents a clear, concrete means of reducing the democratic deficit on a European scale. It is also a unique means of measuring the level of commitment among EU citizens and their relationship with the institution. The Eurobarometer survey⁶ also reveals that the sense of European citizenship is most evident on very concrete issues, such as standardising the social security system, organising a joint pension scheme, recognising

⁶ Source: European Parliament Eurobarometer (EB/PE 77.4) Two years to go to the 2014 European elections.



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Mobilise a community for success

In the age of social media, obtaining one million signatures to render a citizens' initiative admissible is a perfectly reasonable goal—especially with an EU population of over 500 million people. The challenge therefore lies in the ability to rally a community to a common cause. As a result, a proper strategy targeting European networks is vital. Benoît Thieulin, founder of the digital agency La Netscouade and chairman of the French Digital Council: "The collection system might seem a bit of a slog, but the

intentions are good. We should actually praise the bold move to implement these initiatives. There comes a point where you have to say it's time for European civil society to pull itself together!" In fact, the political and technical tools needed to empower citizens to play an active part in EU life are already in place. ECI requirements may seem hard for the average citizen to meet, but this is where people need to rally and create real momentum. "That means finding a way to identify groups that are already active before launching an ECI, to give yourself every chance of meeting the relevant criteria. Citizens' initiatives demand

significant groundwork and efforts to build ties." This is a view shared by Baki Youssoufou, founder and director of the petitioning and campaigning Web platform wesign. it: "An ECI can succeed if it is rooted in a community, rather than just a network. The majority of NGOs have a strong network but they do not necessarily have a community. The goal is to submit a citizens' initiative based on an idea that is shared by an entire community." This is a concept that underscores the importance of developing truly transnational tools able to pool and share ideas throughout Europe—and beyond.

qualifications or providing a joint response to deal with natural disasters. This is a trend bolstered by the ECI: survey respondents continue to cite everyday concerns—employment (53%, +16), education (34%, +9) and pensions (32%, +7)—as issues on which they could get involved. Some initiatives cover extremely practical issues, such as reducing speed limits in urban areas or setting a single rate structure for phone calls within the European Union. These are issues that are easy to follow since they are clear enough to gain a real following, even if only to collect the number of signatures needed to have the initiative validated by the European Commission.

And even if an initiative does not lead to a bill, it does give citizens an initial means of raising awareness of European politics. It

“EVEN IF AN INITIATIVE DOES NOT LEAD TO A BILL, IT DOES GIVE CITIZENS AN INITIAL MEANS OF RAISING AWARENESS OF EUROPEAN POLITICS.”

provides a forum for debate, and therefore for democracy. It brings citizens closer to the body politic. The ECI is also a means of organising cross-border initiatives, which is no small feat given the shortcomings of European public debate and the need to develop resources for joint action to provide the mortar needed to forge a real bond between European countries.



© Homepage www.right2water.eu

Right2Water: Going with the flow

A Nearly two million people in Europe do not have access to running water or are lacking proper sanitation. At the same time, liberalisation of the water supply in some European countries has served only to widen the gulf by threatening to cut off people most in need, who do not always have the means to pay their bill. Launched in May 2012 by the European Federation of Public Service Unions (EPSU), the Right2Water ECI seeks to draw attention to this divide within the EU and to promote access to water and sanitation as essential public services in Member States, as well as in other parts of the world. The initiative aims to push the European Commission to propose laws to make water and sanitation a universal right. Just over a year after its launch, Right2Water is the only initiative to have collected over one million signatures, providing an impressive benchmark for other citizens' initiatives. It provides a twofold lesson: with 275 union organisations and over eight million people working in public services in Europe, the EPSU has the capacity and networking*

potential to gather the signatures needed to have the European Commission approve the initiative; what is more, the impact of the issue it addresses is clear enough in itself to attract the support of as many citizens as possible without being controversial. Registered in the first few weeks following the launch of the ECI, the initiative also benefited from the extended deadline for collecting signatures granted as a result of technical problems, which is due to end on November 1st 2013, by which time the organisers hope to obtain over two million signatures.

> www.right2water.eu

** The initiative is backed by other European and international organisations, including the European Anti Poverty Network (EAPN), the European Public Health Alliance (EPHA), the European Environmental Bureau (EEB), Women in Europe for a Common Future (WECF) and Public Services International (PSI), along with many other national organisations.*

LIST OF OPEN INITIATIVES, APRIL 30TH 2013: 15 ONGOING, ONLY 1 CLOSE TO APPROVAL

Title	Website	Objective
Let me vote	http://www.letmevote.eu/	Grant all European citizens the right to vote in regional and national elections in the State in which they live.
End Ecocide in Europe: a Citizens' Initiative to give the Earth Rights	www.endecocide.eu	Prevent and pre-empt the extensive damage to, destruction of or loss of ecosystems.
Unconditional Basic Income (UBI) – Exploring a pathway towards emancipatory welfare conditions in the EU	http://www.basicincomeinitiative.eu/	Encourage cooperation between Member States to explore UBI as a tool to improve their respective social security systems.
Single Communication Tariff Act	http://www.onesingletariff.com	Adopt one unique all-inclusive, flat-rate communication tariff for mobile phone customers within the boundaries of the European Union.
“30 km/h – making streets liveable!”	www.30kmh.eu	An EU-wide 30 km/h (20 mph) speed limit for urban/residential areas.
European Initiative for Media Pluralism	http://www.mediainitiative.eu/	Protect media pluralism through partial harmonisation of national rules on media ownership, transparency and independence.
Central public online collection platform for the European Citizen Initiative	www.openpetition.eu	Provide a low barrier tool to enable all European citizens to participate in European politics.
Suspension of the EU Climate & Energy Package	http://www.affordable-energy.eu/	Suspend the EU Climate & Energy Package until a climate agreement is signed by major CO ₂ emitters.
Promoting responsible waste management and stopping the use of incinerators	http://ice.id.st	Ensure responsible waste management and treatment by all EU Member States.
High Quality European Education for All	www.EuroEdTrust.eu	Set common education goals for all EU members.
Stop Vivisection	www.stopvivisection.eu	Phase out animal experiments in the European Union.
One of us	http://www.oneofus.eu/	Protect the right to life and the integrity of the human embryo.
Water and sanitation are a human right! Water is a public good, not a commodity!	http://www.right2water.eu/	Promote the provision of water and sanitation as an essential public service and human right.
Fraternité 2020 – Mobility. Progress. Europe.	www.F2020.eu	Enhance EU exchange programmes like Erasmus or the European Voluntary Service (EVS).

E-DEMOCRACY IN THE WORLD



© www.petitions.whitehouse.gov

We the People: the White House is just a click away

Introduced in September 2011, We the People is a resource allowing any US citizen to petition the Obama administration through the official White House website. Borrowing its name from the opening words of the preamble to the US Constitution, We the People provides a tangible touchpoint between the government and the American people. It has gone from strength to strength since it first went online, with over 140,000 petitions submitted and ten million signatures gathered to date. By late 2012, it took no more than nine days on average to

obtain the 25,000 signatures needed to receive an official reply from the administration. As a result, in early 2013, the requirement was bumped up to 100,000 signatures collected in 30 days to enable the government to respond to the full range of requests from citizens.

Another sign of the growing popularity of the initiative is the sometimes fanciful nature of the petitions submitted, such as the bid to build a Star Wars-style “Death Star” or the request to release the recipe for Barack Obama’s homebrew. Weird, whacky or offbeat, these petitions all gathered the necessary number of signatures, which meant the White House was required to reply in detailed fashion (not without a splash of humour) to these fundamental questions on domestic policy. On a more serious note, We the People was also a forum for clashes between lobbyists for and against gun control in the wake of the killings at an elementary school in Newtown, Connecticut in December 2012, forcing President Obama to take a public stance on the sale of firearms, resulting in a reform that was subsequently rejected by the US Senate, and the source of a stinging setback for the Obama administration.



© abgeordnetenwatch.de

Parliamentwatch.org: German deputies in the spotlight

It all began in a pub in the city of Hamburg in 2004. Two friends—a young sociology graduate and a software developer—were discussing a way of submitting questions directly to candidates running for the regional assembly in Hamburg and having them respond directly

*to any legitimate questions voters might raise. Nearly ten years later, the regional initiative has become a national reality, with the website, **abgeordnetenwatch.de** (parliamentwatch.org), now a model for transparency and political dialogue. The originality of this campaign to promote direct democracy lies in the fact that it did not emanate from any political will but instead came from an initiative on the part of individual citizens.*

It has also achieved the impressive feat of attracting both voters keen to reach out directly to their elected officials and politicians, who are now obliged to answer such requests or be pilloried if they fail to do so. The site attracts 300,000 people and over 3,000 questions asked every month. Even more impressive is the fact that there are over 120,000 answers to the 145,000 questions archived online—proof that German deputies have also understood the importance of communications and direct involvement through the platform.



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e-Democracia Project: Brazil experiments legislative crowdsourcing

Launched in 2009 by the Brazilian House of Representatives, the e-Democracy portal is an interactive virtual space that allows citizens to contribute to the process of formulating federal laws, and assists the representatives in actions of surveillance, inspection and control. It makes it possible for Brazilians to share information, participate in the deliberative process, organize social networks, and present legislative texts to support

the representatives in the decision-making process. The first two discussions focused on climate change policy and the statute of the youth. The latest ones raised concerns about the Amazon, space policies, drugs policies, Internet regulation, and federal budgeting. The e-Democracy portal offers various ways of contributing, be it by participating in comparative polls, studies, and collective chats, or simply by accompanying the discussion. It also features tools such as a video-forum and the Wikilegis, an application designed for the collaborative construction of legal texts, allowing participants to write their own version of the draft bill. Another very popular instrument is the Interactive Public Hearing, thanks to which citizens can chat or twitter their comments, critics and questions with lawmakers while they watch the streaming video of the committee sessions. Nonetheless, the effective results of e-Democracia vary so far. While some discussions have not garnered the engagement of society and politicians, others have been very successful. Indeed, one shall not forget that the representatives have the last word.



© www.stjorningaradi.is

Iceland: Constitution 2.0

Necessity is the mother of invention. Faced with financial woes even greater than those felt elsewhere in the world, the people of Iceland's small republic quietly came onto the streets in 2009 to demand reforms to a constitution inherited from Denmark and dating back to before the island's independence in 1944. This "saucepán

revolution" established an administration comprising social democrats and ecologists, along with a constituent assembly made up of 25 citizens elected from among 523 candidates from civil society, tasked with rewriting the Constitution. Throughout this process, drafts were made available online and distributed across social networks, allowing Icelanders to give their feedback on proposals and also participate in live meetings via YouTube. This crowdsourcing project—which gave a clever demonstration of representative and participatory democracy—had mitigated results in terms of popular participation in a very specific political environment, but was praised and studied by the rest of Europe as a possible path towards a more democratic future.

EUROPEAN CAMPAIGN: *All is not (yet) lost!*

There is no denying the fact that, with the European elections just less than a year away, things aren't exactly off to a great start in terms of rallying citizens to the cause. And with a European campaign that is virtually non-existent, there is all the more reason to fear the worst. The people of Europe are being told nothing about the elections, leaving most citizens confused as to the issues at stake, and even their right to vote.



by Dominique Wolton

This is hardly surprising given the routine portrayal of Europe as a technocracy that does nothing but impose restrictions, at times

verging on autocracy. Meanwhile, national political structures are growing intransigent and are only too happy to make Europe a scapegoat for their own failings. This is a problem compounded by a complete lack of information across nearly all national media, which seem content to discuss Europe only in terms of crises and summits. Instead of serving their intended purpose as a mouthpiece to raise public awareness of new issues, they pander to preconceived opinions. For instance, the media never talks about the European Parliament, whereas it

is the only political space in Europe, and even the most original in the world. The media also leave out the understanding of cultural difference between member states. European information is grossly inadequate, too institutional and never rewarding.

This notwithstanding, Europe remains the only real project able to lead us into the future. I see no reason to dwell on any other utopia, as it is the biggest political and democratic utopia. Its immediacy and purpose are, to my mind, evident, with two great ideals: the rich required to show solidarity with the poor, and the campaign to defend and promote human rights. Each of these sacred tenets has been abused by the prevailing sense of "economicism" and populism.

The Commission is in large part responsible for this shambles: instead of promoting

"THE PUBLIC AND PRIVATE MEDIA IN EUROPE SHOULD BE REQUIRED TO DEVOTE 10% OF THEIR AIRTIME TO PROMOTING CULTURAL DIFFERENCES OF OTHER EU COUNTRIES.

Europe, it sits back, preferring to protect its prerogatives. Our politicians should convey a message consisting of 40% economics and 60% utopia/mutual awareness (instead of 100% economics). Only through such balance can we foster shared European impetus, backed by the people. Only through the sum total of our cultural and historical differences can we create a true identity for Europe.

This is our first task: acknowledging our differences. We should study them, promote them and identify them to build a core of common values that bind us in our search for a symbol accepted by all Europeans. There is no time to lose. The public and private media in Europe should be required to devote 10% of their airtime to promoting cultural differences of other EU countries. Each nation state should then be made to take stock of the situation with the help of groups of experts spanning a range of disciplines.

If we fail to do so, we run the risk of witnessing the rapid rise and victory of European populism, which has already become the banner of 14 different parties in the Union. Some appear resigned to this populist surge in the belief that only a stinging defeat at the polls—in terms of results or turnout—could trigger a real reaction. In short, they hope for an electric shock able to jolt people into action and rally them to the cause. Needless to say, those who subscribe to this belief are playing with fire. A fire that could just as easily overwhelm them, leaving the idea of a united Europe in ashes.

We must never lose sight of the fact that Europe is fundamentally a political utopia in the finest sense of the word. It should be embodied as such by its politicians, academics, artists and intellectuals, all of whom have a key part to play in helping this utopia

“TRANSLATION SERVICES SHOULD BE THE LEADING INDUSTRY IN A GLOBALIZED WORLD.”

thrive. We Europeans share a common heritage that we must defend, built on hard-earned peace and freedoms. And we owe it to ourselves to fight tooth and nail in defence of the wild idea that people who have nothing in common can live together in harmony. There is no reason it should not be so, even with our wide range of different cultures and languages. Indeed, we must maintain this linguistic diversity in Europe at all costs by making increasing use of professional translation services and avoiding the temptation to adopt a lingua franca. The cost of globalisation is not linguistic unification: it lies in paying the price for linguistic diversity. As such, translation, translation services should be the leading industry in a globalized world. The time



© DR

spent on translation is one that cannot be reduced and that is necessary to understand that globalization will not ever progress at the same pace as information systems. Time is about accepting the incompressibility of cultural diversity.

We must focus on politics, give the issue greater appeal and help people understand that Europe's strength is not in its value as an economic venture. It is an endeavour we can revive. If we do nothing, the economy will lead to Europe's demise, and with it, its liberties and peace. I am firmly convinced that the battle to rally the people is not lost: it has simply lost its way. And after all, it is true that Europe always reacts when on the brink of disaster. Yet there comes a point when the line must be drawn.

ABOUT

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TEACHING AN OLD WORLD NEW TRICKS

Amid the frenzy of media commentary on Barack Obama's use of social media, one could be forgiven for thinking it is possible to tweet a path to elected office, hence the necessity to look at the American example and its relevance to Europe.



by David Kitching

S

ixty years after technology first stunned the American electorate, when a UNIVAC I1 mainframe correctly

defied conventional wisdom by predicting a landslide victory for Dwight Eisenhower in 1952, Barack Obama was returned to the White Office on a wave of social media. More than just the IT itself, though, the role of the technology had completely changed. UNIVAC I had merely predicted that Johnson would become president; Obama's vast IT arsenal actually helped him to win office. His suc-

cess begs two questions: "how did he manage it?" and "how could it be applied in Europe?"

The first point to be made, however, is that we are discussing two very different electoral scenarios. Unlike the United States, the member states of the European Union employ parliamentary systems for the most part. While party leaders and candidates for the premier positions in government (Chancellor, Prime Minister, Taoiseach, etc) are very much to the forefront, aside from France and Cyprus, European political systems generally do not have an executive head of state. At European level, it is even less clear. To date, the Presidents of the

Key Points

- ♦ *A proactive use of digital tools was crucial to Obama's victories.*
- ♦ *In Europe, the complexity of the political system complicates the implementation of such a strategy.*
- ♦ *Nevertheless, traditional methods – such as canvassing – are still valid.*

"OBAMA BROUGHT CAMPAIGNERS BACK AS A CORE OF HIS STRATEGY"

European Council and the European Commission have been selected through procedures more akin to the conclave to select the Catholic Pontiff than to the direct elections of America's First Citizen, even with the mitigation of the Electoral College. As for the European Parliament, the 2014 elections will essentially be a series of national campaigns conducted beneath umbrella groups, such as the Party of European Socialists. To establish the rapport between Brussels and London or Paris that exists between Washington and US state politics is problematic, as national parties jealously guard their campaign infrastructure and methodology.

THE LEGACY OF AL GORE'S CAMPAIGN

Equally importantly, although Obama's 2012 campaign was far larger in technical

scale and breadth than that of 2008, there was already a solid base on which to build. The Democrats had begun developing this expensive technology – which allowed vast amounts of data to be analysed by campaign strategists – since Al Gore's ill-fated election bid in 2000. Though the overall expense of such a system would be prohibitive under most European electoral laws, there is a plethora of free software available online that can be utilised by creative campaigners and analysts. However, the IT budget was only part of the investment made by a campaign that famously raised 1 billion dollars. Significant sums were also devoted to purchasing voter lists, telephone numbers, information held by credit card companies, market research, and opinion polls, along with additional data on more transient groups such as students. By the careful analysis of these vast data

sets using complex algorithms, Obama's central campaign organisers were not only able to discern trends and drive the agenda at a national level – but were also able to support grassroots activists at a local level.

DONATIONS, BUT NOT ONLY

In terms of the ways in which information can be collected, Europe clearly has much stricter privacy and spending laws, and for very good reasons. However, in most states, they would not preclude considering the use at national level of one of the Obama campaign's most valuable tools, the "Donate Now" button on his official website. Registering in the first place yielded up valuable personal information for list-building purposes, from which further deductions could then be made about social class and professional or personal interests, etc. Secondly, it was an obvious source of campaign funds. Thirdly, but less obviously, the campaign's IT infrastructure could actually monitor the flow of donations in real time as Obama stood on the speakers' rostrum. This harvested extremely useful information about which topics during the course of the speech led to spikes in donations, and what geographical locations or social and professional groups those donations came from. All of this data could then be fed back to activists based where Obama had spoken, allowing strategists to micro target the various messages of the campaign. In this way, the quantitative and qualitative aspects of the research being carried out complemented each other.

SOCIAL MEDIA: A TOOL, NOT A PANACEA

If one section of the Obama campaign system was for "internal" use, in terms of pooling, processing and analysing "Big



Data," the other was the "external" part that used social media and email to reach the American voter. The key point here, which holds true for both the United States and Europe, is that social media should not be used for their own sake, but as a tool to be put at the service of the overall campaign. That said, the use of "targeted sharing" on Facebook and the creative use of Twitter, can significantly bolster the potential for exposure and capacity for mobilisation among certain demographics and cohorts. At the heart of the Facebook campaign was a belief that it should not be wholly "top-down" in terms of communication, but opened up to the grassroots. Clearly, the central apparatus was able to cascade but opened up to the grassroots. Clearly, the central apparatus was able to cascade down messages to activists and supporters, who would then be encouraged to use their own Facebook friends to spread those messages through the "share" button. In this case, the multiplier effect of social media was certainly put to maximum use. However, the more viral the messages went, the further they travelled from the

controlling centre. As part of this process, innumerable "For Obama" Facebook groups were either created or expanded to address particular sections of the electorate with targeted campaign messages – e.g. Students For Obama, Teachers For Obama, Latinos For Obama and Women For Obama, which alone has more than 1.3 million "Likes." It clearly helped the president's re-election that both activists and ordinary American people took ownership of his campaign and were allowed to take their own initiative, although this would not be the norm in Europe.

REACHING OUT TO THE TWITTERATI

Twitter provided another useful resource for the campaign team who, again unlike their European counterparts, did not use

"SOCIAL MEDIA SHOULD NOT BE USED FOR THEIR OWN SAKE BUT BE PUT AT THE SERVICE OF THE OVERALL CAMPAIGN."

it mainly to pointlessly tweet press releases. Unlike Facebook, which is a more passive media – though twice its size with some 1.1 billion users – Twitter is a particularly pro-active platform. Obama campaigners participated fully in Twitter threads – intervening in response to issues or statements that were trending – and encouraging the multiplier effect of re-tweeting particular messages. This is, after all, the point of social media; it's about engaging with other people, rather than merely taking a 140-character bite out of the party's official website.

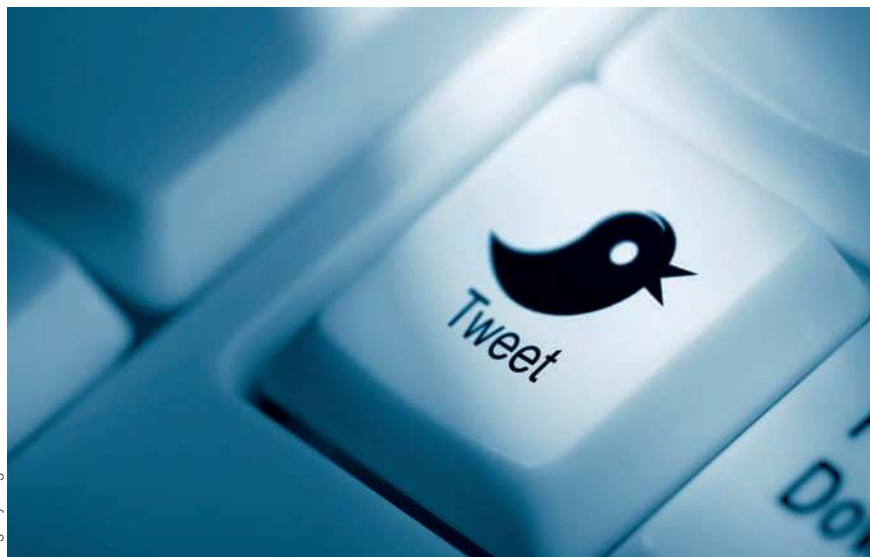
Obama's biggest strength was that his campaign did not get caught up in broad, philosophical and ideological arguments, but tied his broader electoral discourse to a series of value narratives. Through these, Obama was able to present himself as the representative of what the electorate felt their values to be – and to also contrast that with the lack of solidarity that might emerge in a Mitt Romney presidency. Social media, and the way that they can address different audiences, proved extremely useful in disseminating these messages but, as we discussed earlier, the message was still the most important element.



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TRADE UNION ROLE

Civil society organisations, NGOs and trade unions are the original social networks, and serve as great sources of information and platforms for mobilising activists. In the United States, unions like the AFL-CIO used incentives to encourage activists to continue their valuable work that went beyond material gifts. A credits-based system, where activists accumulated "credits" for time spent campaigning online or at street level, earned them the right to influence which campaign materials were used in their area. Their reward was therefore a sense of feeling central to the overall campaign and shared ownership of its message.



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Despite the inevitable media spotlight on Facebook and Twitter, Obama's campaign strategists found that email – unglamorous and solidly utilitarian though it may be – remains a very effective tool. The key to its successful use, however, is to resist the temptation to send every press release to the entire mailing list – a notable failing of many political parties in Europe – but to carefully target the audience by subject, such as education, healthcare or the environment. Again, this is where a more intimate knowledge of local and national electorates, courtesy of data analytics, pays real dividends.

THE NEED IN EUROPE TO PRIORITISE RESOURCES

While people point to the paucity of resources at the disposal of European strategists when compared to our American counterparts, the emphasis should be on adequately prioritising resources. The electoral process in both places is still based on a competition for the attention and the votes of the electorate. There is

therefore no difference in the necessity to find the most effective route to acquiring someone's vote. Likewise, it helps to find out where are we most likely to achieve the most votes. Effective quantitative research can determine where the candidate spends most of his time while nuanced qualitative analysis can cater the message to the individuals and groups in question. This can also be taken into account by the proposed Commission President candidate.

Mobilisation is about talking to the right people and talking to plenty of them. For an electoral campaign to be successful, it must include a huge volume of direct conversations with the electorate, either through the candidates in person or through the field campaign teams. In order to be operable, the party apparatus must build a comprehensible strategy and adequately educate the campaign team on how this will work. Indeed, arguably the important lesson of the Obama campaign for Europeans is not just the value and application of technology, but of bringing campaigners back as a core part of our

**“PARTIES NEED
PLATFORMS
THAT EXPRESS
THE VALUES
OF THE PEOPLE
THEY WANT
TO VOTE FOR THEM”**

strategies. European parties are often old, unwieldy in structure and reluctant to engage with activists. The day of the party guru has definitely gone; it's now about having a platform that expresses the values of the people you want to vote for you. Of course, in Europe we also face the problem of running 28 separate electoral campaigns. However, a clear, common message among progressives can unify and mobilise people around a single European message.

¹ UNIVAC I was the second commercial computer produced in the United States.

ABOUT

David Kitching is a policy advisor for the Foundation for European Progressive Studies. A graduate from the University College Dublin and the London School of Economics, he is a recipient of the Bill Letwin prize and was also a Francis Vals trainee on the Foreign Affairs Committee in the European Parliament.

CANVASSING: AN OPEN DOOR FOR 2014?

Door-to-door campaigning has real potential at both a national and a European level, according to a leading expert.



Guillaume Liégey & Trevor Huggins

Could the lost art of knocking on doors bring success in the 2014 European Parliament elections? After all, it helped Barack Obama win two US presidential polls and was also used in France by a specialised consultancy, Liégey Muller Pons, as part of François Hollande's successful 2012 campaign. Guillaume Liégey, co-founder of the eponymous consultancy that trained 6,000 field organisers, who then mobilised 80,000 volunteers to knock on 5 million doors on behalf of the French Parti Socialiste, believes the approach could work in 2014.

The two key elements would be volunteers and an IT tool, in the form of a website. As with TousHollande.fr, a site has three main roles: to draw in volunteers, to coordinate their work with the help of field organisers, and to provide a dashboard that indicates to party HQ where the campaign is on target geographically and where it needs more resources. "By registering on the site, volunteers received an email from the 'Terrain' or 'On the ground' section of the portal with details of their nearest field organiser, who was similarly informed of a new volunteer to be trained up," Guillaume Liégey explained. "TousHollande-Terrain made it easy for activists to upload both quantitative in-

formation – about how many doors were visited on etc – and qualitative data about how they were received, voters' comments and questions, etc." This reporting was at first carried out fortnightly and then weekly, closer to the election. A section of 'Terrain' meanwhile allowed party HQ to download advice and guidance to field organisers, making it a real two-way exchange.

A ROLE FOR THE PSE

For Guillaume Liégey, this same formula could be used across the EU in 2014. By way of example, judging by press reports about his possible bid for the EC presidency, a website like ForMartinSchulz.com could be created in various language versions, enabling different countries to mobilise support, using the same tools. Canvassing data could be uploaded either in different languages – or in English. As with 'Terrain', that data would then be aggregated to identify trends and problem areas – both at a national and a European level. But who by? "I think this is where the Party of European Socialists, for example, could come in," Guillaume Liégey affirms. "By hosting the site centrally, they could facilitate the sharing of information at a

European level, and have that pan-European perspective on how the campaign was evolving in the different countries."

To give the door-to-door campaign a stronger European accent, he suggests using activists from more than one country. "If two are on the doorstep in Paris, one should be French – but the other from Germany, Spain or another EU state. In major cities, which are home to workers and students from across Europe, it wouldn't be difficult to find such volunteers to talk about the benefits of the EU in their everyday lives." Where to send them would be equally straightforward.

Typically, turnout drops by 15-30 points between national and European polls. By identifying those districts where the figure fell significantly, based on the polling station data that is normally available after an election, the volunteers can be targeted to very specific areas. Clearly, conducting a European door-to-door campaign across all 28 countries in 2014 would be an ambitious project. However, as Guillaume Liégey suggests, "Even starting with five or six countries who were enthusiastic and did it really well, would be a positive step forwards."

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JACQUES RIVOAL

“La Belle Europe”

With the European elections a year away, Jacques Rivoal, President of Volkswagen France, offers his perspective on the Europeanization of businesses and how to reconcile national identity with European identity.



A conversation between

Jacques Rivoal, Volkswagen Groupe France
and Olivier Breton, publishing editor Paris-Berlin magazine

Olivier Breton: Does the concept of a European business exist?

Jacques Rivoal: A company has its national origins and that's certainly the case for Volkswagen, which is proud of its German heritage. Not only are we proud of it, we want to bring it to the fore—and at the same time we want to sell our products in a market that is European first, global second.

O.B.: So Volkswagen is a company that is German, then European, then global. Does Europe reinforce a company's original nationality? Can we use this as an example for people who are afraid of losing their roots?

J.R.: Definitely. Europe is a shared space that protects us and brings us together. But I believe that under no circumstances should this be at the cost of national identity. Whilst it is obvious

that we are an international brand, and that we work in a global market, we have no interest in denying our German or European roots. There's no contradiction. We are proud of both.

O.B.: Is this debated within the company?

J.R.: Not in such terms. The real issues that Europe raises for us are related to the economic situation and market opportunities. Europe is clearly a very difficult market for automakers. It's

“EUROPE IS A SHARED SPACE THAT PROTECTS US AND BRINGS US TOGETHER. BUT UNDER NO CIRCUMSTANCES SHOULD THAT BE AT THE COST OF NATIONAL IDENTITY.”

generally pretty flat and sometimes in decline, unlike other markets (China, Brazil, etc.) which are seeing growth. Having said that, we clearly have real assets as Europeans, in terms of quality, reliability and history, which make it possible for us to set out to conquer these markets with a certain quiet confidence. We are proud of our origins and we respect them. In this regard, our German origins are significant, and even more so considering that we are part of a wider context, Europe, where the standards in terms of environment and safety issues are considered radical. Many countries don't impose these standards in their own manufacturing sectors, but they are elements that differentiate us and are sought after by our clients abroad, and it's important to accentuate them.

O.B.: Volkswagen is proud of its origins, but has also taken over other European brands, such as the Spanish carmaker Seat.

J.R.: Of course, one reason for Volkswagen's resilience in the European market is its strong identity, but it's not only because of that. It's also because of our deep respect for every single element of what we manufacture. This is the case with Seat. Our German identity is a governing principle throughout the company, because it's rooted in quality and reliability and the development of advanced, innovative technology. But we always match that with the identities of our other brands. For a Spanish brand like Seat, we try to pair German quality with sporty 'Mediterranean' design, just as with Škoda, German quality is combined with the idea of a sensible purchase, one that is more robust, more affordable, and more Czech. With each brand the idea is to bring together a common characteristic, which is German reliability, with

cultural identities that can be adapted to different European countries. And it works.

O.B.: So you're saying that the concept of the Group is not to "smooth out" different identities, any more than it is in Europe? That we can be protean, multicultural, and still respectful of everyone's identity?

J.R.: It was Jacques Delors who talked about a federation of nation states that had to be somehow brought together. It is possible to come together as a larger entity without losing our own identities. That is Volkswagen. And that's what Europe should be. The point isn't to oppose the idea of individual national identity against the search for synergy and things that can be shared. It is possible to want to go beyond national frontiers without in anyway renouncing our national identity.

O.B.: Volkswagen doesn't really position itself as a European manufacturer. Would it be an asset to be able to declare to the American market, "We are the prime example of European manufacturing"? Or is it not possible for a successful manufacturer to endorse Europe as well as its own country?

J.R.: It's hard because although it's possible to speak of a "typical" German car, it would be more difficult to define a "typical" European car. But perhaps that's an approach we need to think about.

O.B.: Given how hard it is for politicians to embody Europe, do you think that businesses ought to try to? The image of Europe is suffering somewhat from its dilution, and at the same time it thrives on it....

J.R.: I think that what Europe is suffering

from, first and foremost, is the lack of political embodiment. That's where we need to make progress. In our business, we call ourselves European citizens, we are based in six or seven European countries, but we emphasise the national roots of the Group.

O.B.: What is Europe for? What does it represent for you?

J.R.: I think that for people of our generation, the incredible thing about Europe is that even though my father lived through the war, today I'm working for a German company. The most beautiful thing about Europe is this idea of peace and Franco-German reconciliation, a free and shared space. The rest seems so obvious that it's hard to define. That's what we need to continue building today.

O.B.: Is it the role of businesses to do that? Why is it so hard to carry that idea forward, even though we all agree? With European elections just a year away, isn't this an idea we should be promoting?

J.R.: Business – ours, at any rate – acts by example. We don't think about ourselves in terms of the debate about supposed German self-interest. When the issue arises, I have no problem emphasising our European identity. We have plants in Germany, France, Spain, Slovakia... We are a blend of seven or eight European nationalities, and we make sure that this intercultural mix functions with maximum efficiency. Accusations of economic nationalism are not just unfair, they are stupid. What matters is expanding our business and conquering markets, and that's for the benefit of our employees, not the German state. In order to do that, we have to capitalise on our success and on our history.

So why is the European idea struggling? Because we are failing to highlight all that has been achieved! The fact that we have a single currency seems to me nothing short of miraculous. Is there another example of nations achieving that? In the whole of history, I don't think so. It's an amazing achievement and I don't think that we give it the prominence it deserves. It seems that we are suffering from a real communication problem.

O.B.: Do think that a business that is able to implement effective communication in this area might be able to at least partly overcome this European weakness?

J.R.: We are doing just that. Specifically in the context of our campaign to recruit young employees. We are trying to help young people in Spain, for example, where youth unemployment has reached 50%. We are also trying to set up work/study training programmes. And, as a German company, we are putting an emphasis on helping to combat unemployment in southern Europe. So yes, we do stand together and we show that by our actions.

O.B.: Is there a debate amongst employees of different nationalities? And going further, do you sense any conflict regarding the solidarity versus austerity argument that we hear so much about in the media?

J.R.: Within our company we are very mindful of how we invest and spend, even in times of prosperity. We are extremely rigorous and we take financial management very seriously. The austerity versus solidarity debate seems to me to be misplaced. The great strength of the German model lies in its employer-employee relations, the emphasis that we put on mutual

support and responsibility between the business leaders and employees, the ability to make sacrifices when required, but also to share the fruits of our growth in every country where we have employees. Today we are a highly successful company and we are investing heavily in wages, one way to increase individual purchasing power.

“THE AUSTERITY VERSUS SOLIDARITY DEBATE SEEMS MISPLACED: THE GREAT STRENGTH OF THE GERMAN MODEL LIES IN ITS EMPLOYER-EMPLOYEE RELATIONS.”

O.B.: As an entrepreneur, if there were measures to be taken to save Europe, what would they be? Where would you start? A widespread social dialogue? Implement a policy of economic austerity, at the risk of stunting growth?

J.R.: We need a balanced strategy. We must substantially reduce the deficit while at the same time maintaining an active policy of growth. This process is just beginning. We know that Germany's success is based on its exports. If all its European peripheral markets are in recession, Germany will also grind to a halt, so our interests are linked. I think we can strike a balance between implementing the budgetary discipline required to reduce public deficit and finding the most significant drivers of growth at a European level. We are now gradually moving towards this consensus.

To be even more specific, we are aware that if France goes into a serious recession,

it will be dramatic for Germany. Our interests are intertwined. We are no longer caught up in the mind-set that we have to "beat" the other side. Volkswagen is currently the biggest client of Faurecia, which is in turn a subsidiary of PSA Peugeot Citroën. These interconnections make us interdependent and as such, we must support each other.

O.B.: Is Volkswagen suffering from a decline in popularity in France? Has the country become a difficult place to be German?

J.R.: No, it's actually an assurance of reliability and has positive connotations. It seems to me that in spite of a few unfortunate turns of phrase, our politicians are careful not to fall into that rhetoric. Of course I've heard that the French aren't taken seriously in Germany, that they've slipped down the scale. I don't feel it myself. Just a certain anxiety about what's happening in France, the way in which we deal with structural problems, but I tend to reassure our parent companies in Germany. And personally I have faith that France is capable of taking good decisions. I think there's a difference between France and the countries of southern Europe, and I fiercely oppose putting them in the same basket. I'm happy to say that France is not in the same situation.

O.B.: What is Europe doing for car manufacturers? What do they think Europe should be doing? Defending workers' rights? A quality label?

J.R.: There is one area where we are the leaders in Europe: environmental issues. The standards regarding CO₂ emissions are essentially European. Our industry has imposed these standards, unlike most other countries. The sky doesn't have cus-

toms checkpoints! But I think it's the role of a leader to do more than saying we should play the game. We are looking further than purely protectionist motives. We have to be exemplary, and assert it. 'La Belle Europe' means encouragement without demagoguery, acknowledging that China has to have access to the modern world, whilst remaining intransigent on environmental and safety issues.

O.B.: Is it acceptable for car manufacturers to profit from a two-tiered Europe, in particular with regard to salaries? In Romania the minimum monthly wage is €350! Is it not up to big business to show the way to a levelling up?

J.R.: Yes, absolutely. But at the same time, we are outsourcing in Europe, not outside it. In my eyes, it is better to be manufacturing in Europe, creating jobs in Czech Republic or Slovakia, and yes, it's true, making the most of savings in the wage bill. The strength of Germany is to be able to work with these peripheral countries and gradually make our way towards a levelling upwards.

O.B.: Isn't it also up to Europe to manage the complementary skills that each country can offer? Every country has a specific area of expertise, not in a pejorative sense, but in a complementary one. Shouldn't we be trying to pool these interests and skills in the automobile sector, to work towards the European car of tomorrow?

J.R.: It's certainly a very nice idea, if a bit futuristic. It's a subject that could unite us at least on a human level, rallying people and skills for the common good. We definitely need shared ambitions, big ideas and

projects, which the public can understand and then recognise the centrality of Europe, the importance of full membership for everyone. Never mind if it takes 50 years to come about. After all, this is our children's Europe, and it is essential that we make sure it has an enviable, virtuous and desirable future. Why not start thinking about it now? Neither the motor industry nor Europe is a myth, but they both inspire many dreams.



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ABOUT

*President of Volkswagen France since January 2013, **Jacques Rivoal** was previously Director of the Volkswagen Brand. He holds a master's degree in economics and studied at Sciences Po and Ecole Normale Supérieure. Prior to joining Volkswagen, he served as General Manager of Renault-Nissan in Germany for ten years.*

VIEWS OF ECONOMISTS

In your opinion, and in the light of the European electoral campaign of 2014, what economic policies and institutional reforms should appear on the electoral programmes of progressive parties? Economic recommendations from four symbolic countries.



MANIFESTO OF EUROPEAN SOCIALIST and Social Democratic parties



Never have the weaknesses of the market been so apparent to all, with the near collapse of many economies and the necessity for bailout by sovereign states. Therefore, progressive parties must return to basic principles to provide real and workable alternatives to conservative, market-dominated politics.

Party programmes should feature three simple proposals:

- Preserve and enhance the European Social Model,
- Create an Union-wide investment stimulus package to create millions of jobs and modern infrastructure,
- Curb the power of finance, banks, and big corporations through radical reforms of corporate governance.

In turn, each of these can be expanded: **First of all**, progressive leaders must promise to **preserve our European Social Model**. It has been undermined and parties must affirm their strong commitment to it. Indeed they must promise that when recovery comes, they will enhance it.

The term "European Social Model" means little to citizens, so leaders should promise an access to world-class health care and to the best possible education for all, as well as income security through a basic level of income for those in work, those out of work, and those in old age (who must never have to worry about having a decent income).

Secondly, progressive parties should **create an Union-wide investment stimulus package**, which will be coordinated to enhance job creation and infrastructure modernization, for better communications, transportation networks, and housing. It should be a Europe-led Marshall Plan, with richer countries contributing most.

Lastly, the decline in the labour share of national income throughout the world is already having major consequences for economies, with reduced demand and a severe impact on societies.

It should be the priority of progressive parties to **curb the influence of the finance and banking sectors, by reforming corporate governance**. These reforms must aim at rebalancing industry-related institutions, taxation, education, skills, and governance towards citizens and away from corporations and increasingly wealthy elites.

Paul Sweeney
Chair, TASC Economists' Network



NEW DEAL FOR EUROPE

Economic considerations and recommendations



The European Union's policy of the "management of the costs of crisis management" has failed in all aspects: political, social, economic, and value-related. It is time for a New Deal.

Instead of restoring growth and fighting unemployment, the current crisis management led to rapidly dwindling solidarity and confidence. Their undermining at different levels, such as families, small communities, regions, nation-states, but also at the level of the European integration has raised serious problems. In addition, inward-looking attitude of European societies has prevented any new approach to prepare Europe for global challenges. Moreover, growing income polarization, which started well before the global crisis, deepened because of the one-sided austerity measures that have been decimating the middle class.

Without a new quality of solidarity there is no way to get out of the current economic, social, and ideological crisis. Not only the restoring of the balance between fiscal consolidation and sustainable socio-economic recovery needs solidarity, but also the critical minimum of social cohesion is a key element of European identity and inter-

national competitiveness. Therefore, on one hand, longer-term trajectories financed by some members have to be developed and implemented, while, on the other hand, solidarity has to become a two-way street characterized by serious and credible efforts from the beneficiaries of financial bailouts. Future-oriented economic and social policies have to focus on how to reconcile the critical minimum of fiscal adjustment with the maximum of growth potential. First, the continuous regeneration of human capital must be guaranteed, starting from education at all levels, through R&D, up to sustainable healthcare systems. Austerity measures cutting such expenditures essentially undermine future growth potential and competitiveness. Secondly, in periods of slow growth, new employment strategies are needed to reintegrate into the labour market large parts of unemployed people. New forms of employment umbrellas are likely to be the most viable instruments in

order to prevent large-scale social marginalization. Thirdly, clear instruments must accompany a deepening of the European integration in order to avoid fragmentation. The success of this new approach fundamentally depends on whether European political leaders and public opinion-shapers will become aware of the growing gap between political and socio-economic rationality. While the first is cemented in regular democratic elections, the latter has a much longer horizon. The New Deal is expected to reconcile this dilemma by further strengthening democratic institutions while finding the right answers to key challenges accompanying our socio-economic environment in a longer run.

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ESTONIAN IDEAS *for a better europe*



This paper focuses on some economic policies and reforms, which could be promoted at European Union level to tackle the challenges Estonia is facing. However, European countries vary a lot in their economic, political and social ramifications. Thus, while taking economic management decisions at the Union level, country-specific factors should also be carefully considered.

The Estonian Human Development Report 2013, describing Estonia's status in the world based on numerous international criteria and indexes, was published a few weeks ago. The full picture is often controversial – inside the European Union we are doing above average on economic and media freedom, as well as education, but low wages and work productivity, as well as income disparity cause concern.

The GDP growth and budget balance, which have served as a map and compass to the liberal-conservative government's economic policy, is not adequate for measuring well-being. If education indexes place us amongst the top 20-30 in the world, then by purchasing power we are last amongst the euro-zone countries and 47th in the world based on indexes accounting for purchasing parity. Welfare criteria (health, life satisfaction, purchasing power, etc.) have undeservedly been left out of political debates and many people in

Estonia do not feel that their life quality has improved in recent years. Based on the Estonian case, the recommendations of political measures such as adequate minimum wage and higher income tax thresholds should be considered at the European level to support both sustainable economic growth and increase well-being. The latter especially applies to new member states.

Despite Estonia's high placement in economic freedom rankings, we have not made the expected progress in competitiveness during the past ten years. The Global Competitiveness Index placed Estonia 25th in 2006-2007 and 27th in 2001. However, we placed 34th in 2012-2013. In order to recover from economic recession, Estonia needs to increase both, its net exports and wages. And in order to pursue long-term competitiveness we need to get over the productiveness gap and promote corporate transformation from the middle of the

value-chain (cheap production) to the beginning (product development) and/or the end (marketing, sales), where most of the added value is created. The same applies to other new member states and moreover to European Union. To enhance competitiveness instead of current non-intervention and austerity policies, the state needs to consciously lead and co-found these changes.

Estonia is also amongst the countries with the highest income disparity in Europe. Almost every fifth child lives in absolute poverty and a majority of the applicable income tax allowances only increase inequality. To reduce disparity, measures of increasing family allowances and adopting a progressive income tax should also be promoted at the European level.

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Business School*



EUROPE NEEDS A NEW DEAL!



When does one need a New Deal? When the old navigation map of the elites – derived from the prevailing economic theory – leads the economy deeper and deeper into a crisis, but that a new theory has not yet been developed. This was the case with Roosevelt's New Deal in 1933, and this is the case in Europe now: "Financial alchemy" built up the potential of the crisis of 2008, then a deep recession caused unemployment and public debt to strongly rise.

Fighting these problems by cutting wages, unemployment benefits and generally by a strict austerity policy led Southern Europe into a depression, which the rest of the European Union might end up in soon. All these developments have occurred by following the recommendations of the neo-liberal economic theory, from the deregulation of financial markets to austerity policies. Hence, the navigation course must be fundamentally changed.

Two guidelines should shape a New Deal for Europe: first, shifting the strife for profits from financial speculation to entrepreneurial activities, and secondly, strengthening social coherence.

According to the first guideline, all Euro countries should stabilize their interest rates at a level below their rate of economic growth. To that end, the European Stability Mechanism (ESM) should be transformed into a European Monetary Fund (EMF), which would sell Eurobonds at fixed rates

(guaranteed by all member states of the Economic and Monetary Union, and backed by the European Central Bank). There is no other way to overcome the Euro crisis.

In addition, exchange rates could be stabilized even if the European Central Bank set target rates unilaterally (see the example of the Swiss National Bank). Historically, high and sustained economic growth has only been achieved under a regime of stable interest and exchange rates (as prevails nowadays in many emerging market economies, particularly in China).

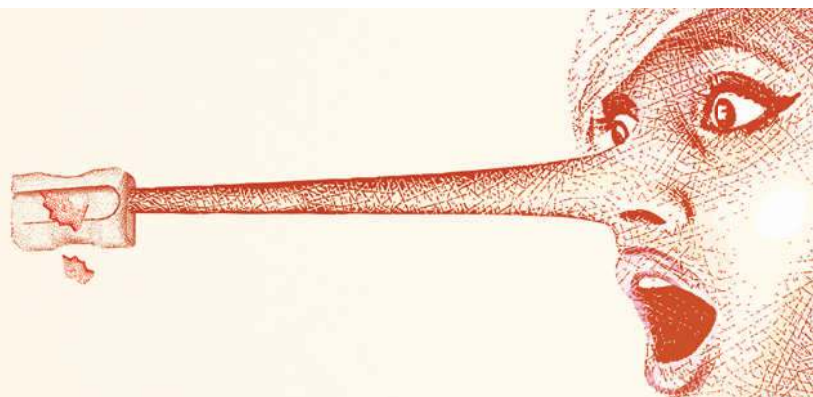
A New Deal would also include public investment for the improvement of the infrastructure, education system, and environment. Special programs need to address specifically the needs of young people, especially in terms of employment and (affordable) housing.

All these programs should be financed primarily by additional taxation for (very) wealthy people, who would eventually

benefit from it. Indeed, they have much more to lose if the European Union remains in a depression for any more years.

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**“EUROPE NEEDS TO
SHIFT THE STRIFE
FOR PROFITS TO
ENTREPRENEURIAL
ACTIVITIES,
AND SECONDLY,
STRENGTHEN
SOCIAL
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MEET THE PRESS

Eurotopics – Tax Havens
P. 74



PORTFOLIO

The 150th anniversary of the SPD
Foreword by Ernst Stetter
P. 78



REPORT

Renaissance for Europe
P. 86



DIARY

FEPS & Members
P. 92



PUBLICATIONS

P. 96



THE EUROPEAN FIGHT *against tax havens*

The European Union member states want to agree by the end of the year on an automatic exchange of banking data starting 2015. This decision was reached by the heads of state and government on Wednesday in Brussels. Some commentators criticise that the half-hearted resolution will above all put average wage earners at a disadvantage. Others feel that only fiscal harmonisation across the Union will solve the problem of tax dodging.



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05.04.2013

Greed of the rich kills solidarity

According to the offshore leaks, roughly 130,000 wealthy people have around 25 trillion Euros stashed away in tax havens. Governments are now called upon to act, the left-liberal daily De Morgen writes: "Seldom was the expression 'Time for Outrage' more appropriate. Because all this money that's been kept in tax havens could have been invested in jobs, infrastructure, health, education and science. In short: in future generations. The onus is now on national governments to track down citizens who evade taxes and put their money in these havens. And this must be done on a European level. Labour is taxed to death



while capital is exempted. As long as this brutal inequality continues, there can be no end to the crisis. [...] Anyone who puts blind avarice above solidarity and a sense of social justice is undermining the very foundations of our society."

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10.04.2013

Banking secrecy just folklore

Following hot on Luxembourg's heels, Austria on Tuesday also declared its willingness to negotiate the scrapping of banking secrecy with the EU. The new regulations would however only apply to the bank accounts of foreign investors, the government explained. This strategy aimed purely at winning votes is nonsense, the left-liberal daily Der Standard criticises: "Austria's banking secrecy - like its neutrality - can be seen as part of the country's folklore; as an expression of a highly individual national identity which emerged after 1945 and which we have come to cherish. [...] One reason for banking secrecy, which is both proper and conforms to the law, has so far not been named. If the government continues to cling to banking secrecy for those who live in the country it is covertly giving the green light for the swindle to carry on. No one wants a Big Brother state. But even an election campaign doesn't suffice as an explanation for it being easier to hide money in Austria than elsewhere in Europe."

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11.04.2013

Luxembourg wants to be a legal tax haven

Luxembourg has bowed to pressure on the automatic exchange of information but otherwise aims to be a legally compliant tax haven, the liberal weekly WirtschaftsWoche observes: "Luxembourg is now pursuing a double strategy. In order to stabilise its lucrative but entirely legal trade with thousands of insurances, funds and banks, the grand duchy is sacrificing its dubious flight capital business. [...] However it's not making any changes to the key section of its business model. With extremely low taxes on Financial products and tax-free gains on the disposal of assets, this tiny country remains highly attractive for the financial sector – all in compliance with the law. The country is working to consolidate its status as a legally correct tax haven. Whether this will be enough for the future remains to be seen. Because for the finance ministers of many countries the erosion of their tax base is a huge problem, and the issue is on the OECD's agenda. But Luxembourg still has plenty of time to back down at some point again."

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22.05.2013

HIGH TIME FOR FIGHT AGAINST TAX DODGERS

If at their summit in Brussels the EU leaders get serious about their fight against tax evasion they could open up new instruments to combat the crisis, the liberal business daily Hospodářské noviny writes hopefully: "It has taken more than four years for Europe's politicians to realise that it's not enough to cut benefits and raise taxes. There is another major reservoir to be tapped for money - cracking down on tax evasion. Commission chief Barroso has even called for tax data exchange across the EU. [...] It's strange that the fight against such a dirty business has taken so long. Tax evasion deprives the EU of a sum approximating one trillion Euros each year. That's more than the entire EU budget for healthcare. [...] Fears. That the tax evasion business will transfer to places like Singapore are only partially justified. Big business will no doubt find a loophole. But for everyone else, anything outside Europe is terrain that is too foreign."

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22.05.2013

TAX AVOIDANCE IS A GLOBAL AFFLICTION

Close cooperation is needed to fight tax avoidance not just in Europe but around the world, the left-liberal daily Libération demands: "The crisis has a sad virtue. It has made people in most Western countries aware of the circuits into which billions of Euros or dollars from the state treasuries disappear each year. Fiscal fraud is a global plague that arouses legitimate indignation on the part of the public. Accepting taxes is one of the basic pillars our democracies are built on. Those who seek to avoid them must be relentlessly hunted

down. But determination on the part of individual governments isn't enough. Whether it's organised by individuals or large companies, fraud is the consequence of a lack of international cooperation. The global economy requires a global taxation system."

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22.05.2013

Europe's reluctant fight

There are more than enough arguments for plugging up the tax loopholes used above all by multinational companies, the left-liberal daily De Volkskrant argues, while remaining doubtful that Europe's politicians will really take any action: "This issue is being avoided by portraying one's own behaviour as exemplary and pinning the blame on others. In the Apple affair, Ireland is pointing to the loopholes in the US legislation that make tax tricks possible. And the Netherlands is also depicting itself as beyond reproach. The government stresses that all the constructions [that allow tax avoidance] are legal and that the

Netherlands earns a billion Euros each year with this. That is enough to silence the parliament for the most part. [...] It's good that there is now more than enough support for measures against tax loopholes - and the sum of at least a trillion Euros in lost income estimated by the European Commission is consolidating that support. On the other hand there is the danger of growing frustration if the multinationals continue to get away with their tricks."

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23.05.2013

PATH OPENED FOR RECOVERY

The summit hasn't finished the task in hand but at least it's made a start, the liberal business daily Il Sole 24 Ore comments: "At least for once, the Europe that has no growth, that is churning out jobless people and de-industrialising while the rest of the world is experiencing an upturn, is not debating fundamental issues but focusing on concrete problems instead. The solution is a two-pronged approach: automatic data exchange and the reform of the lenient tax systems of individual member states. Easier said than done. [...] So has the summit produced a real breakthrough? No. [...] Was it futile? Ultimately, given the demands of key industrial sectors that are struggling for survival, the summit could mark the beginning of a new course. [...] Europe can no longer afford the luxury of a paralysed single market without standardised taxation, transportation and energy policies. It must make up for lost competitiveness in order to grow and produce work again instead of unemployment."

[+] INFO: www.eurotopics.net



24.05.2013

Ireland must say no to tax avoidance

The EU finance ministers will discuss new measures against tax evasion and tax avoidance in Brussels today, Tuesday. The left-liberal daily Irish Times sees the current Irish EU presidency in a delicate situation: "The meeting takes place against the background of growing public controversy about how multinational companies use jurisdictions, such as Ireland and other low tax countries, to minimise their corporate profits. [...] British Prime Minister David Cameron aims to make both the European Council and the G8 meeting 'the turning point in the battle against tax evasion and avoidance'. That, however, will also require governments that have created tax systems, which have greatly encouraged businesses to engage in tax avoidance, now to become first movers in major tax reform. And that will prove hard to achieve."

[+] INFO: www.eurotopics.net

Going further

TAX RESEARCH UK

The blog of chartered accountant and economist Richard Murphy, one of the most influential left wing thinker and expert in worldwide taxation.
[+] INFO: www.taxresearch.org.uk



TOUCHSTONE

A collegial blog written by the staff of the Trades Union Congress (TUC), a federation of British trade unions.
[+] INFO: touchstoneblog.org.uk



TAX JUSTICE NETWORK

A network of researchers and activists fighting against tax avoidance and tax havens, promoting taxation as a tool for social justice.
[+] INFO: www.taxjustice.net



GLOBAL FINANCE INTEGRITY

An American non-profit organization that advocates the curtailing of illicit financial flows.
[+] INFO: www.gfintegrity.org



THE FUTURE OF THE SPD IS “EUROPE”!

by Ernst Stetter

The 23rd May 2013 the German social democratic party SPD commemorated its 150th anniversary. The enormous achievements of the last 150 years are and have been decisive for the German society but also for Europe. *(See the portfolio on the following pages.)*

The challenges for the decades to come will be, what programme is the SPD aiming towards with social democracy in Germany and also in Europe?

In my opinion, two approaches could underline alternative views of the SPD in contrast to liberal or conservative approaches:

- **Firstly**, the European Union should be represented as a vision based on solidarity and integration in contrast to an inward-looking and individualistic conception.
- **Secondly**, civil society should be revitalising the declining impetus of political parties in order to lead political demands for sustainable policies.

These two spheres are clearly linked. Both of them include a progressive concept of the state. Statehood should be thought of as a dynamic and lively notion to be established in solidarity and in contrast to the historical method towards free markets.

Open statehood and an inner sense of revitalising political participation have already been touched by social democratic developments in the recently and there are very good plans for the future. The ongoing reform of the SPD's organisational structure is explicitly connected to that

societal challenge. All political parties are confronted with newly evolving demands from citizens. New technical communication structures contest the traditional intra-party procedures and the SPD needs to react to this shift. Since this is a contemporary and general event, it is not a genuinely left-wing policy to create an open space. Nevertheless, if successfully implemented, this implies that the SPD could mobilise a wider scope of citizens by not just having progressive policy structures but also a progressive organisational framework. The goal is to re-position the party within society and thereby within a democratic framework.

Political parties have to be more than communication systems between politics and citizens. As new media challenges traditional media it also challenges the top-down approach to the formation of political will. To reverse this hierarchy, the institu-

“THE SPD COULD BE THE AVANT-GARDE OF THE AMBITION OF A MORE VISIONARY AND LONG TERM PLANNING EUROPE.”

tional structure also needs to be readjusted. The SPD now has the chance to go ahead in accomplishing this task and the potential not just to remobilise voters but also to be the leading force of this process for the next decades. This will probably be the chance to re-engage the youth so desperately disconnected from social democrats in Germany but also in Europe. In the 2009 general elections the SPD lost more than 20% of its electorate amongst young people! In contrast: Obama won 60% of the young voters in last year's presidential elections!

One central aspect of new social conditions is expressed by a reframing of labour, and its place in new globalised and technological conditions. Both areas have huge impacts on how social, cultural, economic and financial policies can sustain and promote a just society. The basic values of social democracy can be revitalised within Germany and other European societies if these values can be connected to the individual conditions.

A single policy statement cannot represent a whole European vision. The European perspective is recurring in several fields, beginning with European labour standards, unified development politics, education policies and financial regulation. Working, studying and creating in comparable contexts under dignified conditions this is a renaissance of values of Social democracy in Europe.

This is to be mentioned in contrast to a

A SINGLE POLICY STATEMENT CANNOT REPRESENT A WHOLE EUROPEAN VISION

vision of Europe as independent national units without the combination of policy strategies but with an understanding of a zero-sum game where a nation is perceived as a winner if others lose and vice versa. Within the on-going Eurozone crisis, this is exactly the TINA perception (*There Is No Alternative*) and is leading as we see with rising anti-European movements to a disintegration of the European Union.

The SPD should propose to turn the crisis into an opportunity to further the integration of the European Union with the perspective of achieving a more federal Europe. Hence in the sense to become a stronger player not just concerning inner-European competition but also with a view to improving Europe's place in the globalised world.

To stabilise Europe, the need for a coordinated and thereby integrated financial and economic policy becomes more and more evident and this should be becoming common sense in Germany too. In this context a vision is to develop how this should be realised and in which political structure.

One answer for Germany is to start to politicise European politics and to stress the function of a united movement of the social democratic parties in Europe, it is to give

Renaissance for Europe. The crisis shows that there is "no return to business as usual". The SPD could be the avant-garde of the ambition of a more visionary and long term planning Europe with shared sovereignties and more federal structures. The party was an avant-garde at its origins for the workers rights and also after World War II in implementing the Welfare State in Germany.

The SPD has to strengthen its relation to a European vision of social democracy through higher participation in the discussions and networks at European level. A social Europe is not just relevant on an abstract level; it is also meaningful for social standards within European societies and for building up a reference for the production of a united European society.

The previous two directions aim for one path for social democracy in Germany. It is to become open to social change. This does not mean to jump on the bandwagon of social progress in an opportunistic and short-term approach but rather to take part in formulating progressive propositions again as done for 150 years. The reordering of statehood is interrelated to the impact of external and internal globalisation. This does not just imply that the border in between has to be reconfigured. The question is also if national borders can be sustained and how this should be conceived.

Such fundamental challenges force us to think even more of the relationship of politics, policies and citizens, at least in a common European context. This exercise is not an end in itself. Without connection between a European vision and legitimising citizen's participation, further acceptance of European integration is hard to imagine. Therefore, the European condition is

"THE SPD HAS TO STRENGTHEN ITS RELATION TO A EUROPEAN VISION OF SOCIAL DEMOCRACY."

directly related to the individual one. Subsequently, political parties are challenged to find their positions. If a social democratic vision of Europe shall be realised then the mission for the SPD is to provide a legitimate connection of European citizens to the political system of the EU, also but not only through the national state system. Thus, the statement of Peer Steinbrück, the candidate for the German Chancellery in the September-elections is fully to endorse:

"For us Social Democrats, Europe is more than a common market and a Banking Union. For us, it is a civilization project. Our Europe is a Europe of citizens, of peaceful exchanges, of a common fair market and a real democracy."

Ernst Stetter is an economist and political scientist, and the Secretary General of the Foundation for European Progressive Studies in Brussels. He also worked in Dakar, Paris, and Bonn.

“THE SPD WAS NEVER URGED TO CHANGE ITS NAME!”*



FERDINAND LASSALLE

© AdsD der Friedrich-Ebert-Stiftung

Portrait of Ferdinand Lassalle, the initiator of socialism in Germany. He created the first German labour party in 1863 and chaired it until his death on 31 August 1864. Lassalle was the first man in Germany, the first in Europe, who succeeded in organising a party of socialist action.

**Quote from the 150th anniversary speech by Sigmar Gabriel*



THE NATIONAL ASSEMBLY IN WEIMAR

© AdsD der Friedrich-Ebert-Stiftung

Friedrich Ebert during his opening speech at the National Assembly in Weimar (1919). Ebert was elected to be the first president of the German Republic. He remained in that position after the new Constitution came into force and was officially sworn in as Reichspräsident on 21 August 1919.

OTTO WELS

© AdsD der Friedrich-Ebert-Stiftung

Chairman of the SPD, Otto Wels, on 23 March 1933 was the only member of the Reichstag to speak against the "Law for Removing the Distress of People and Reich." Looking directly at Hitler, he proclaimed: "you can take our lives and our freedom, but you cannot take our honour." All 96 SPD members of the Parliament voted against the act. The Communists were not present and could not vote, due to having been banned. The rest of the Reichstag voted in favour.





KURT SCHUMACHER

© AdsD der Friedrich-Ebert-Stiftung

Kurt Schumacher's speech in Frankfurt in 1946, just after World War II. The Chairman of the SPD spent over ten years in Nazi concentration camps, where he had been severely mistreated. First leader of the Opposition in the Western German Bundestag, against Chancellor Konrad Adenauer, he was an even stronger opponent of communism and one of the founding fathers of the post-war German democracy.



VOTE ON THE CONSTITUTION

© AdsD der Friedrich-Ebert-Stiftung

Vote on the Constitution during the Parliamentary Council (1949). The SPD played an active role, notably Carlo Schmid who was one of the promoters of the German-French reconciliation.



PARTY CONGRESS IN BAD GODESBERG

© AdsD der Friedrich-Ebert-Stiftung

The party congress of the SPD which took place in 1959 at Bad Godesberg is one of the most famous. The Godesberg Program laid down the three principles of "freedom, justice and solidarity" which are still as relevant today as in 1959.

WILLY BRANDT'S GENUFLECTION

© Bundesregierung / Engelbert Reineke

The Warsaw Genuflection corresponds to a gesture of humility and penance made in 1970 by social democratic Chancellor of Germany Willy Brandt towards the victims of the Warsaw Ghetto Uprising. Brandt had actively resisted the early Nazi regime. The occasion of Brandt's visit to Poland at the time was the signing of the Treaty of Warsaw between West Germany and the People's Republic of Poland guaranteeing German acceptance of the new borders of Poland. The treaty is part of the Brandt-Ostpolitik.

**GERHARD SCHRÖDER**

© Bundesregierung / Julia Fassbender

During the 1998 elections, the SPD and Alliance 90/The Greens won a majority in the Bundestag. After signing an agreement with Greens Leader Joschka Fischer, Gerhard Schröder became the leader of the new red-green coalition. They governed Germany from 1998 to 2005. During this period, Gerhard Schröder introduced deep labour market reforms, which have been contested but prepared the strength of the current German Economy. He also said no to any implication of Germany in the Iraq war.

150 YEARS OF THE SPD

© Bundesregierung/
Guido Bergmann

Ferdinand Lassalle initiated the Allgemeiner Deutscher Arbeiterverein (General German Workers' Association - renamed thereafter SPD - on 23 May 1863 at Leipzig.

To celebrate the 150th anniversary of one of the world's oldest democratic parties, the German President Joachim Gauck, the German Chancellor Angela Merkel and the French President François Hollande attended the ceremony in Leipzig chaired by the current President of the SPD, Sigmar Gabriel who said "The SPD was never urged to change its name!"



PEER STEINBRÜCK

© Ulrich Baumgarten/
Vario Images

Chancellor Candidate Peer Steinbrück (here at the National Congress of the SPD in Münster) was nominated by his party as opposition candidate for Chancellor on 28 September 2012. The elections will take place on 22 September 2013.

RENAISSANCE FOR EUROPE

Towards a common progressive vision

by Henri de Bresson



From Paris to Leipzig and Turin, the events organised over the past year by the Brussels-based Foundation for European Progressive Studies, under the leadership of German social democrat Ernst Stetter, have laid the foundations of a new social democratic project for Europe.



Like other European groupings, Europe's social democratic and socialist parties are getting ready to campaign in support of a single candidate for the European Commission presidency in the 2014 European elections: Germany's Martin Schultz, currently president of the European Parliament.

This personalisation of the European ballot marks a shift towards a more political Europe, which allows for a broad spectrum of competing visions for the European project. The financial crisis sounded the death knell of the social-liberal "Third Way" popularised by Tony Blair and Gerhard Schröder at the turn of the century, thus requiring the European social democracy to reinvent itself if it is to rise above the "turbo-capitalism" condemned by former German finance minister Peer Steinbrück, the Social Democratic Party's candidate for the chancellorship in this September's legislative elections.

Upcoming elections in France, Italy and Germany have led the main left-wing groups in the three largest eurozone countries, whose relationships have often been strained, to mend ties and stand in solidarity against the inadequate economic austerity policies imposed by the European Council in response to the euro crisis. This rapprochement resulted in the launch of an initiative for the "renaissance" of progressive thought in Europe, coordinated by the Foundation for European Progressive

Studies. Chaired by former Italian prime minister Massimo D'Alema, the FEPS is close – yet independent from – the Party of European Socialists, and backed by a network of some forty national foundations, including three bodies that helped launch the initiative: the Jean Jaurès Foundation in France, the Italian thinktank Italianieuropei, and Germany's Friedrich-Ebert-Stiftung.

The initiative's first major event was the March 2012 conference in Paris with leading figures of the European social democracy—including Sigmar Gabriel, the president of the German SPD—as a show of support for François Hollande in the run-up

but the German election does not augur particularly well for the SPD. The German social democrats, who initiated the reforms behind the country's economic rebound, are still paying the price for the emergence of a radical left and voters' preference for a strong defence of Germany's national interests.

The social tensions caused by the crises in southern Europe and Ireland, coupled with the rise of populism, call for changes to the governance of the Economic and Monetary Union. But they also require the left to come to the realization that the model of national solidarity—on which their social contract is still based—is no longer

"FIGHT FOR JUSTICE AND SOCIAL SOLIDARITY IS INSEPARABLE FROM THE PURSUIT OF EUROPEAN INTEGRATION"

to the presidential election. Two other events have since been held: one in Turin this year before the Italian elections, and another in Leipzig in May to mark the 150th anniversary of the SPD.

CONFRONTING THE CRISIS

The crisis has been a trying time for the European left. The French presidential election in 2012 and the Democratic Party's lacklustre victory in Italy in 2013 ended a long series of electoral setbacks,

adequate. This is the origin of the concept of "intégration solidaire" advocated by François Hollande in Leipzig during the SPD's 150th anniversary ceremonies. The idea has received a cold reception from northern Europeans, who fear that their social welfare systems could be picked apart to pay for others, and are concerned by the French socialist government's difficulty in asserting itself in the year since it came to power. But the European left will leave no stone unturned as it explores new

ways of building solidarity for the future.

The “Renaissance for Europe” process, which is intended to continue beyond the German elections in September, has an ambitious goal: to show the European left that its fight for justice and social solidarity is inseparable from the pursuit of European integration.

We have come a long way. Blairism was heavily inspired by former social democratic chancellor Gerhard Schröder, who was elected in 1998 at the head of a coalition with the Greens and created long-standing divisions among the European left. Vain hopes of an alliance between the SPD and the PS when Lionel Jospin was prime minister were followed by long years of misunderstanding between the two groups, whose hostility largely paralysed the European socialist movement.

The work begun in 2012 by the Renaissance group was a logical extension of the acknowledgement by the two parties’ leaders, in the face of the forthcoming French and German elections, that they and their partners had a shared interest in developing European alternatives to Merko-

“THESE INTERCONNECTIONS GIVE
AN IDEA OF WHAT A TRUE EUROPEAN
DEMOCRACY COULD ONE DAY BE.”

zism. While their initial views on the management of public deficits, industrial revival and social reform are far from identical, the consequences of the crisis for the social fabric of all countries offered sufficient grounds for consensus and shared reflection. François Hollande was invited to the SPD conference in December 2011, where Helmut Schmidt gave a rousing speech calling on his fellow Germans maintain close cooperation with its neighbours, marking the official resumption of dialogue.¹

STRENGTHENING SOCIAL DEMOCRATIC THOUGHT

The Paris declaration, announced in March 2012 during a meeting of European social democratic

¹ Speech published by the FEPS in fifteen European languages. ISBN 012-3-456-78901-2



Public Conference - Saturday 17th March 2012, Cirque d'Hiver, Paris - Ovation at the end of François Hollande's speech

leaders at the Cirque d'hiver, had been debated the previous day at an initial meeting between political researchers and leaders and the political foundations of the French, German and Italian parties. The declaration was entitled "Growth, solidarity, democracy: setting a new course for Europe". While François Hollande was being violently attacked for announcing that he would renegotiate the fiscal treaty to be adopted by the European Council in June 2012, one month after the French election, the Paris declaration called for Europe to "set a new course ... based on budgetary responsibility, growth, solidarity and democracy". On the eve of the Italian elections in February 2013, the Renaissance group, which had been invited to continue its work in Italy, adopted a "Turin manifesto" for a "democratic union of peace, prosperity and progress". The manifesto sets forth proposals to reform eurozone governance and the democratic deficit in the EU, and create a new Social Europe. The guiding principles of the manifesto were discussed during a third conference held in Leipzig in May.

All these discussions, which have been valuable to preparations for the French Socialist Party's convention on Europe in June, will be summarised in a final document this summer before the German elections, with a list of commitments to the pursuit of European integration. Although political leaders are still having difficulty conveying these ideas on the national stage, it is clear that a space for political thought has been created which transcends national boundaries. This shared reflection draws on the work of the European Parliament, the main national political foundations, and numerous research centres in Europe and around the world, including Harvard University. These interconnections give an idea of what a true European democracy could one day be. This was far from being the case when the left dominated the European political scene in the late 1990s, but failed to give it direction.



Renaissance in Turin, February 2013



FEPS MEMBERS

FEPS is the first progressive political foundation established at the European level. Created in 2007 and co-financed by the European Parliament, it aims at establishing an intellectual crossroad between social democracy and the European project. Acting as a platform for ideas, FEPS relies first and foremost on a network of members composed of more than 40 national political foundations and think tanks from all over the EU. The Foundation also closely collaborates with a number of international correspondents and partners in the world that share the ambition to foster research, promote debate and spread progressive thinking.

MEMBER POLITICAL FOUNDATIONS AND THINK TANKS (40)





AUSTRIA Karl Renner Institut **BELGIUM** Gauche réformatrice européenne • Stichting Gerrit Kreveld • Institut Emile Vandervelde **BULGARIA** Institute for Social Integration **CZECH REPUBLIC** Masarykova Demokratická Akademie **ESTONIA** Johannes Mihkelson Centre • **EU** Solidar **FINLAND** Kalevi Sorsa Säätiö **FRANCE** Europartenaaires • Fondation Jean-Jaurès **GERMANY** Friedrich Ebert Stiftung **GREECE** Institute for Strategic and Development Studies ISTATE • RE-Public **HUNGARY** József Attila Foundation • Tancsics Mihály Alapítvány **ITALY** Associazione Bruno Trentin • Centro Riforma Stato • Fondazione Italianeuropei • Istituto Gramsci • Fondazione Socialismo **LATVIA** Freedom and Solidarity Foundation **LITHUANIA** Demos Institute of Critical thought **LUXEMBOURG** Fondation Robert Krieps **MALTA** Fondazzjoni Ideat **NETHERLANDS** Foundation Max Van der Stoep • Wiardi Beckman Stichting **NORDIC COUNCIL** SAMAK **POLAND** Foundation for Fundamental Rights **PORTUGAL** ResPublica **ROMANIA** Ovidiu Sincai Institutul **SLOVENIA** Kalander Foundation **SPAIN** Fundació Rafael Campalans • Fundación Pablo Iglesias • Fundación IDEAS **SWEDEN** Arbetarrörelsens Tankesmedja • Olof Palme International Centre **UNITED KINGDOM** Policy Network • The Fabian Society • IPPR-Institute for Public Policy Research

OBSERVER NATIONAL FOUNDATIONS (7)



AUSTRALIA Chifley Research Centre **CROATIA** Novo Društvo **DENMARK** Arbejderbevægelsens Erhvervsråd **IRELAND** TASC **NETHERLANDS** European Forum **SLOVENIA** CEE Network for Gender Issues **TURKEY** SODEV Sosyal Demokrasi Vakfı

47

 National political foundations
 and think tanks
 Observer national foundations





JULY 16-19

Vienna - Seminar FEPS Young Academics Network



The second seminar of the third cycle promises a heavy agenda. FEPS YAN members have been busy since March to collect literature and come up with the first draft of their papers. The meeting will be an occasion to further develop these papers through an inspiring interaction

with other Next Left networks par other networks of FEPS.

BACKGROUND

The Young Academics Network (YAN) was established in March 2009 by FEPS with the support of the Renner Institut to gather progressive PhD candidates and young PhD researchers, who are ready to use their academic experience in a debate about the Next Europe. In the third cycle, the groups work on the following topics:

Modernising party politics; Employment; Populism; Enlargement; Economic Governance; Elections 2014.

This year they have already published three papers:

- The European Youth Guarantee: a reality check
- How Eurobonds Relate to European Integration
- Fixing the Broken Promise of Higher Education in Europe

SEPTEMBER 16-17

Brussels – Conference “Call to Europe”

The third edition of the “Call to Europe” initiative, launched in 2011 in order to address the challenges facing the EU as we move through the 21st century, will focus on “Beyond Austerity: Enhancing European Society”. Six years into the crisis and it has become evident that austerity policies are having detrimental social and economic effects in Europe. Looking toward the European elections in 2014 we are facing the need to enhance the European society in order

to ensure equity and social and economic justice. To this end, this year’s Call to Europe is debating, together with leading progressive economists, political scientists, policy makers, civil society organisations, as well as high-level European politicians, an alternative social and economic approach for Europe and the importance of enhancing the European society as a whole.



FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES
FONDATION EUROPÉENNE
D'ÉTUDES PROGRESSISTES



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SEPTEMBER 25

Brussels - New Next Left Economic Circle Roundtable



FEPS and the Global Progressive Forum (GPF) will hold the 10th Next Left Economic Circle on “The Search for Inclusive Growth in the MENA Region” with guest speaker Dr Hassan Hakimian of the London Middle East Institute (SOAS, University of London).

BACKGROUND

The roundtables of the Next Left Economic Circle bring together progressive economists from different European institutions, from civil society organisations and the business sector, who wish to evaluate the economic theoretical corpus behind economic policy proposals. They are co-chaired by Liem Hoang-Ngoc

(MEP, Professor of Economics at Paris I University) and Stephany Griffith-Jones (Financial Markets Program Director).

Among the former guest economists invited: M. Lavoie, M. Sawyer, E. Stockhammer, L. Cordonnier, E. Hein, H. Sterdyniak, A. Persaud, J. Eatwell, J. Portes

OCTOBER 9

*Washington DC - Seminar and public debate on
“Macroeconomic Cooperation and the International Monetary System”*

Organized by the Initiative for Policy Dialogue (IPD) at Columbia University and FEPS, co-funded by the Ford Foundation, this event will be held at the Centre for American Progress. Speakers for the public debate include: Joseph Stiglitz, Adam Posen, Jose Antonio Ocampo, and Massimo D'Alema.

The seminar (by invitation only) will gather:
- **Session One** on Global macro-econ-

omic cooperation : Joseph Stiglitz, Oliver Blanchard, Marcus Miller

- **Session Two** on How can reforms of the international monetary system contribute to world economic growth?: Anton Koriner, Jose Antonio Ocampo, Eswar Prasad, Jack Boorman)

- **Session Three** on European Macroeconomic governance: Malcolm Sawyer, Paolo Guerrieri, Adam Posen, Stephany Griffith-Jones.



MEMBERS DATEBOOK



INSTITUT EMILE VANDERVELDE | BELGIUM

July 1st, Brussels & Wallonia – Invent a new horizon, such is the goal of Citoyens Engagés, a collective-thinking operation launched by the IEV and the Socialist Party for several months, in order to encourage participative democracy and conceive a society project based on values such as equality, solidarity, and justice. More specifically, the operation will feature numerous kinds of activities, as well as an Internet platform.



ITALIANIEUROPEI | ITALY

July 5 (date tbc), Rome – Seminar organized with the Rome Office of the European Council on Foreign Relations (ECFR) entitled New European Economic Governance: Same Austerity? on the recent changes introduced on the EU economic governance, their impact (if any) on the crisis and the political price European member states are paying for the recipe of rigour imposed by Brussels.



NOVO DRUSTVO | CROATIA

July 12-14, Zagreb – 9th edition of the Political Academy New Society. Sessions are part of a comprehensive educational programme and an open dialogue platform that bring together

35 political activists from Croatia and the region. Four modules include: political economy; political actors and processes; political ideas and social policy. A second session will take place between the 13 & 15 September.



OLOF PALME INTERNATIONAL CENTER | SWEDEN

July 22-24, Tokyo – The Network of Social Democracy in Asia (SOCDEM Asia) will arrange the conference “Building a New Paradigm on Energy - Social Democratic Response to the Challenge of Nuclear Phase Out and Energy Security”. Organized with the support of the Friederich Ebert Stiftung and the Olof Palme International Center, it gathers representatives of social democratic and progressive parties from about 15 Asian countries.



TASC | IRELAND

Over the summer/autumn, Dublin – TASC will be actively involved in civil society's engagement with the Irish Government, who have joined the global Open Government Partnership. Ireland's annual OGP Action Plan is meant to address the growing demand for stronger democracy and more transparency about public policy.



FOUNDATION MAX VAN DER STOEL | NETHERLANDS

July (date tbc), Ukraine – 4th edition of the Summer Academy, organized for young, promising politicians from across Eastern Europe (Ukraine, Moldova, Belarus, Russia, Armenia, Azerbaijan and Georgia). Once a year progressive youth fly into Ukraine for our 4-day seminar, to acquire new skills, share experiences and forge an international progressive network. The themes of the training were for a large part borrowed from the successful Promising Politicians series organized in the Western Balkans for many years and focused on ideology, communication, negotiations.



CEE NETWORK FOR GENDER ISSUES | SLOVENIA

August 29-September 1st, Korčula – Supported by Olof Palme Centre & SIDA grant, CEE Network for Gender Issues will hold its regional Korčula school. This think tank will serve for the exchange of best practices and lessons learnt in the Western Balkans and in EU by social democratic parties on the issue of better balancing professional and private life in recession and budgetary crises hit environments.



POLICY NETWORK | UK

September (dates tbc), London

– Policy Network and FEPS will hold a programme of events to mark the launch of a new joint book, *Progressive Politics after the Crash: Governing from the Left* (I.b Tauris, 2013). Despite recent successes, social democratic parties in the EU have become locked in a cycle of electoral under-performance. The book makes the case for a new, post-crisis settlement harnessing the dynamic traditions of social liberalism and social democracy as the foundation for progressive reforms geared towards alleviating crisis aftershocks and addressing the deep-seated structural challenges afflicting western capitalist democracies.



SAMAK | NORDIC COUNCIL

September 7, Helsinki – What is on for the Nordic model project? Nordmod2030 has presented the first five reports in 2013. It will be this time the Finnish country report. The country reports all together (15 reports), will be presented the coming year.



SORSA FOUNDATION | FINLAND

September 7, Tampere – Co-organisers with the SDP and the Workers' Educational Association TSLof, Sorsa Foundation organises a big event/festival loosely translated "The Labour Movement. Now." The event will gather the entire labour movement and there will be seminars,

fun & games for children and adults alike, a concert etc.). We are organizing two seminars at the event, highlighting the SAMAK research project on the Nordic Model 2030 www.nordmod2030.org.



CENTRO RIFORMA STATO | ITALY

Mid September, Rome – Seminar, with the participation of international economists and jurists, with the (provisional) title: "A critique of the Crisis. Italy and Europe in the perfect storm". An opportunity to present the last issue of *Democrazia e Diritto*, the CRS scientific journal and to develop that the current financial and economic crisis is not based (at least not mainly based) on objective economic data, nor on the financial weakness of this or that country, but is the result of political choices which have been made all over Europe – in different ways and to a different degree – over the past twenty years by conservative governments in order to push back the rights and conquests of the working classes, thereby diminishing their overall income and precipitating the crisis.



INSTITUTE FOR SOCIAL INTEGRATION | BULGARIA

Mid September, Sofia – Presentation of the Final Report of the FEPS-ISI project Civil Observers for Monitoring - Fair Elections 2013. As early elections have been conducted in Bulgaria, the analyses are focusing not only on legislation, media monitoring and civil observation of the elec-

tions, but on the constitution of government and the political cabinets as well as on the appointment of the regional governors in the country.



SOLIDAR | EU

24-25 September, Brussels – Seminar in the European Parliament on Human Rights in the Middle East and North Africa. The Cooperation Network "Social Justice in the Middle East and North Africa" builds alliances between civil society organisations, think tanks, social movements, progressive political forces and independent trade unions to promote social justice for the Middle East and North Africa.



FRIEDRICH EBERT STIFTUNG: FONDATION JEAN JAURES

| GERMANY & FRANCE

October (date tbc), Paris – The Paris office of the FES co-organized a conference on European defence, in collaboration with the Jean-Jaurès Foundation, under the patronage of French Defence Minister Jean-Yves Le Drian. This symposium will be an opportunity to review the Franco-German relations in times of difficult budget choices.



GAUCHE RÉFORMISTE EUROPÉENNE | BELGIUM

15 October, Brussels – Conference on "Eradicating poverty and enhancing social inclusion: can Belgium and the EU do more?" at the Belgian Senate.

AUSTERITY

The History of a Dangerous Idea

by Vivien A. Schmidt

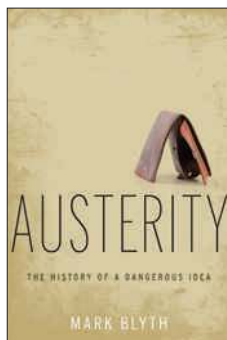


A

usterity: The History of a Dangerous Idea tells you everything you need to know about austerity but did not know enough to ask. This is the best serious book so far about the causes of the financial crisis in the United

States and the sovereign debt crisis in the European Union. Mark Blyth, a Scotsman who teaches at Brown University in the United States, provides a highly readable, cutting-edge analysis of the crises in the United States and Europe that explains them in terms of both economic structures and economic theories. What he makes amply clear is that the crises in the United States and Europe do not originate in the state, as a result of over-size public debt, but come from the banks and continue with the banks.

In the United States, the structural problems came from deregulated financial markets with increasingly complex instruments and products, all of which together created a system at risk of implosion, even as policymakers and players alike believed it to be risk free. The failure to anticipate the crisis—or even to recognize the dangers in the increasingly overblown system—came from the neo-liberal ideas about naturally efficient markets at risk only from interference by an inherently flawed state, which therefore had to be limited as much as possible, and the neo-classical economists' models of super-smart, rationally self-interested financial actors that assumed, incorrectly, that the parts could on their own ensure the sustainability of the whole. In Europe, the structural problems came not just from the United States, in the form of banks that had exposed themselves to US risk, but also from the structures of the banks themselves. If the problem for the United States was banks 'too big to fail,' the danger for Europe was a banking system that became 'too big to bail.' The 'bait and



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switch' that followed in Europe—aided by business leaders, bankers, and European politicians—was that instead of laying the blame, appropriately, on the banks as the cause of the problems—including the cheap credit from core countries that fueled deficits in the periphery, surpluses in the core—the story was recast as one of the public profligacy. And the cure was austerity, led by Germany and the ECB. Here, the ideas were not neo-liberal but ordo-liberal—or neo-liberalism with rules—in which the state was to be used to create and enforce restrictive general rules on low public spending and debt

for all, with harsh measures for countries with higher than accepted deficits and debts. But rather than the expected cure, austerity has been a primary cause of Europe's downward economic spiral.

Austerity itself, Blyth shows, is a concept that, having been submerged since the 1930s, when it last wreaked its greatest havoc, is back with a vengeance, in particular in Europe. The book takes us not only through the 'natural history' of austerity, from the 1930s to the current crisis, to show that it has never worked, but also through the (thin) intellectual history of austerity from the seventeenth century to World War II, and then from the postwar period to today, as the concept of austerity developed, beginning with German ordo-liberalism through neo-liberalism's many permutations, from the Chicago and Virginia Schools through the Washington Consensus to Italy and Cambridge, US, culminating in the curious idea that budget cuts produce growth. The book as a result offers not only an illuminating account of the current crisis but also an enlightening history to show that austerity is, indeed, a dangerous idea and has always made things worse, not better.

Austerity, The History of a Dangerous Idea // Mark Blyth (Oxford University Press, 2013).

Vivien A. Schmidt is a Jean Monnet Professor of European Integration, and Director of the Center for the Study of Europe at Boston University.

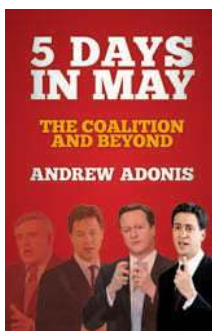
5 Days in May

THE COALITION AND BEYOND

by Roger Liddle



Andrew Adonis is a rare force of nature in politics. As Transport Secretary under Gordon Brown, he put the High Speed 2 on the English map in such a decisive way that no successor government can ever 'derail' the project. But *5 Days in May* is a grippingly told tale of failure. Even someone with Andrew's extraordinary mix of intellectual clarity and irrepressible energy could not pull together the Labour–Liberal Democrat Coalition that could have kept David Cameron out of 10 Downing Street. I was there at the start. Andrew came round to our Kennington home to watch the 2010 results and the long night was enlivened by a series of phone calls from Gordon Brown discussing with Andrew the arithmetic of a hung parliament, the constitutional position, and the chances of a Labour–Lib Dem deal. Not only was Gordon completely up for it. Andrew firmly rebuts the Lib Dem canard that the Labour negotiating team were not serious in their intent to make a coalition work. Andrew is right in two key judgements he makes. First, the parliamentary arithmetic did allow an anti-Tory Coalition to be formed. Secondly the biggest obstacle was Nick Clegg's decision to back George Osborne's deficit reduction plan. This was despite all the reservations he and Vince Cable had consistently expressed throughout the General Election campaign. Labour should have spotted that Nick's decision to keep Vince off the Lib Dem negotiating team was the sign that he had bought into the flawed argu-



ment that Alistair Darling's deficit reduction plan was not enough.

However Andrew's account underestimates the difficulties on the Labour side. Gordon Brown could have laid the ground for a future Lib Dem deal when he first took over in 2007, if he had stuck to his plan to reinvigorate constitutional reform and forced his cabinet to back Alternative Vote reform. Instead, he retreated in face of the predictable opposition.

Secondly, Alistair Darling's commitment to deficit reduction would have been much more credible if the plans had been fleshed out before the election, as the Chancellor of the Exchequer himself had wanted.

Thirdly, too many senior members of the Parliamentary Labour Party were ready to surrender power without a fight. In truth, and it is a harsh truth, they gave a higher priority to bundling Gordon Brown out of the Labour leadership than keeping David Cameron out of Number 10.

For better or worse the party and the country are now living with the consequences. But read the book. It is short, it has the pace of a thriller and it brilliantly describes a game changing moment in British politics. In all likelihood it contains important lessons for the not too distant future.

5 Days in May, The Coalition and Beyond //
Andrew Adonis (Biteback, 2013).

Baron Liddle *is Chairman of Policy Network, an international think tank and FEPS member foundation. He is also Labour's front bench spokesperson on Europe in the House of Lords, as well as a Director of the University of Cumbria.*

PLENITUDE

The New Economics of True Wealth

by Dominique Méda



Juliet Schor's book advocates a new ecological shift as the best way to improve our well-being. She does not, however, completely reject consumption; nor does she dwell in the doldrums. According to the Boston-based sociology professor, this paradigm shift could provide an opportunity for humanity to prevent disaster while improving quality of life by reducing working hours and increasing the practice of "self-provisioning". This last point is crucial if we are to cast off our dependency on the market. It is also key to renewing social ties and rediscovering the pleasure of creativity while cultivating a more local economy. By reducing working hours, we can promote employment, better distribute productivity gains, make work less stressful and more interesting, increase the amount of time devoted to self-provisioning, and reduce our eco-footprint.

Schor's thinking invites us to subscribe to a radical new approach. She makes it clear



that technological progress is not enough and suggests we free ourselves from productivity and growth as our main performance criteria. GDP creates the mistaken assumption that we are growing richer while we are in fact squandering our natural and social resources. There is a pressing need to change the way we measure progress: we should adopt these resources as our goal. To this end, the author suggests replacing growth with indicators such as product durability and quality. She also highlights initiatives that show the extent to which individuals are willing to embrace these new practices through local communities that are ready

to promote a form of production that embraces a "lighter" eco-footprint, offers ample employment and cultivates social ties from the ground up. The author also notes that new technology can optimise our ability to share best practices in this regard.

Nevertheless, the book could benefit from more details on the direction this new path should take. Schor does not explain how to bring together unions and ecologists or consumers and employees; how to overcome contradictions between the long and short term or between ecological and social crises; or how to get around the resistance of the lobbyists who seek to counter this kind of ecological shift. **Let us hope this shared frame of reference will foster an epistemic community and a groundswell able to trigger the action of which we are now urgently in need.**

Plenitude, The New Economics of True Wealth // Juliet Schor (The Penguin Press, 2010).

Dominique Méda is a French sociologist and philosopher.

A graduate of Ecole Nationale d'Administration and Ecole Normale Supérieure, she has written extensively on topics related to employment and social policy, wealth indicators and women's issues.

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