

A Critique Of Yanis Varoufakis' Democracy In Europe Movement (DiEM25)

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Yanis Varoufakis' new [Democracy in Europe Movement 2025 \(DiEM25\)](#) has recently released [its long-awaited manifesto](#) (he also discusses the movement and manifesto [here](#) and [here](#)). The movement's aim is, quite simply, 'to democratise the EU in the knowledge that it will otherwise disintegrate at a terrible cost to all'. This is presented as the only viable alternative to the two remaining 'dreadful options': (i) retreat into the cocoon of the nation-state and (ii) surrender to the Brussels democracy-free zone.

DiEM25's immediate priorities are: full transparency in decision-making (live-streaming of European Council, ECOFIN and Eurogroup meetings; full disclosure of trade negotiations; ECB minutes, etc.) and the urgent redeployment of existing EU institutions in the pursuit of policies that genuinely address the crises of debt, banking, inadequate investment, rising poverty and migration. In the medium term, the movement's goal is 'to convene a constitutional assembly where Europeans will deliberate on how to bring forward, by 2025, a fully fledged European democracy, featuring a sovereign parliament that respects national self-determination and shares power with national parliaments, regional assemblies and municipal councils'. DiEM25's long-term goal is, in other words, 'to bring about a fully democratic, functional Europe by 2025'. In [this interview](#) with the Transnational Institute (TNI), Varoufakis elaborates on the movement's strategy:



We are not a coalition of political parties. The idea is that anyone can join independently of political party affiliation or ideology because democracy can be a unifying theme... In practical terms, how do we envisage our intervention? The model of politics in Europe has been based on nation-specific political parties... As far as I am concerned, this model of politics is finished. The sovereignty of parliaments has been dissolved by the eurozone and the Eurogroup; the capacity to fulfil one's mandate at the level of the nation-state has been eradicated and therefore any manifestos addressed to citizens of a particular member state become theoretical exercises. Electoral mandates are by design now impossible to fulfil. So instead of going from the nation-state level to the European level, we thought we should do it the other way around; that we should build a cross-border pan-European movement, hold a conversation in that space to identify common policies to tackle common problems, and once we have a consensus on common Europe-wide strategies, this consensus can find expression of that at the nation-state and regional and municipal levels. So we are reversing the process, starting at the European level to try to find consensus and then moving downwards. This will be our modus operandi.

Firstly, I consider the birth of the DiEM25 movement to be an event of great importance for the European

Left (and for European democracy in general). Many attempts have been made to create a pan-European movement, and we can only hope that Varoufakis succeeds where others have failed. In any case, the movement has *already* succeeded in revitalising the European debate, and should be lauded for this. It is also a testament to Varoufakis' relentless commitment to democracy and social change – first as a radical economist, then as Greece's combative finance minister and now as the 'leader' of DiEM25.

Progressive Federalism?

That said, as much as I share the movement's spirit, I also consider its strategy and general goals – as presented in the manifesto and in various interviews by Varoufakis – to be rather problematic, for reasons that I will try to explain. The idea that the European Left should aim for a radical, progressive overhaul of Europe's institutions – rather than their rejection – is not new, of course, and has actually been the consensus among European progressive/leftist movements all throughout the crisis – and still is, I would imagine, despite the recent rise of left-wing euro-scepticism. We might call this the 'progressive federalist solution'. It is precisely the position that I took in my 2014 book, *The Battle for Europe*, where I wrote:

The construction of a genuine European supranational democracy, through which to achieve the aim of a progressive and socially, economically and environmentally sustainable society, is not only possible, but is arguably the best means to forward the interests of citizens and workers and tame the overwhelming powers of global financial and corporate leviathans... This struggle will necessarily have to be a multi-level one. At a grassroots level, it will require the creation of a broad pan-European network of social and workers' movements, civil society organisations, NGOs and progressive thinkers. They will need to highlight the commonality of interests and struggles of all European citizens and workers (especially those of the core countries, to overcome the core-periphery division engineered by the financial-political elite) and to build a broad social consensus for a platform of radical integrationist change.

In the two years that have passed since the publication of the book, though, I have grown increasingly sceptical about the possibility of achieving such a program. Firstly, I was already aware at the time that one of the main flaws of the progressive federalist position was its inability to truly envision the 'supranational democracy' it was calling for. Sure, in my book I reiterated the common idea that such a system should rest on 'a significantly empowered European Parliament, which should be the sole initiator of European legislation', alongside a completely reformed executive branch: a revamped European Commission with a directly elected President (who would in effect become the President of Europe), alongside a European finance minister, foreign minister and so on. I went on:

A Commission freely elected by majority vote would transform it from the technocratic (and radically neoliberal-minded) body that it is today into a full-fledged political body, capable of pursuing right-wing or left-wing policies on the basis of an electoral programme chosen by the people. This would allow citizens to choose what Europe they want. It requires the transnationalisation and Europeanisation of European political parties, meaning that elections for both the European Parliament and the European Commission should be organised on a transnational, rather than national, basis.

I was also careful to point out that a full-fledged 'European government' should be firmly based on the

principle of subsidiarity:

The powers exercised at the European level should be confined solely to those issues that cannot be managed effectively at national level, with higher tiers of government acting only when the common interest requires it. Power, in short, should be devolved to the most local institution possible, preventing over-centralisation (the 'super-state' much-feared by euro-sceptics) and making the European Union a multi-level system of shared policy making. To this end, in addition to further empowering the European Parliament, national parliaments should be more involved in the European legislative process.

It all sounded very reasonable. Deep down, though, I harboured serious doubts about the extent to which such a system of supranational democracy could be made truly representative and respectful of the needs of the weaker states of the Union. And over the course of the past two years, I have failed to resolve those doubts; if anything, in fact, they have grown stronger. That is why I was troubled to find the same position expressed – in equally vague terms, including the contradictory suggestion that a more democratic EU would not come at the expense of 'national self-determination' – in the DiEM25 manifesto. Anyone that today takes the position that a democratic reform of the EU is the way forward for Europe has a duty to explain, in concrete terms, what he or she means by this.

A Sovereign European Parliament

Let's take the central argument of progressive-integrationist federalists (including DiEM25): the need for a significantly empowered, 'sovereign' European Parliament, and the notion that the only viable alternative to the current 'intergovernmentalisation' of the EU is the latter's 'parliamentarisation'. Firstly, we should be clear that the move to a supranational European democracy means – in the best-case scenario – handing all the major economic, fiscal (and monetary?) policy decisions concerning the EU/EMU over to a democratically legitimated (through the EP) 'European government'. There would be little space for 'power-sharing' with national parliaments on these crucial issues. With that in mind, we have to ask ourselves: are European citizens ready to accept the legitimacy of the European Parliament?

One may argue that those policy decisions are already largely out of the hands of member states, and that a 'European government' already exists – it is just a question of 'democratising' it. This is largely true, but it is an insufficient response in my opinion. It is easy to argue that a supranational decision-making system centred around the European Parliament would be *more* legitimate than the current system of technocratic governance, but would it be legitimate *enough* to ensure that European citizens accept its majority-vote decisions in the same way that today they accept (to a large degree) the majority-vote decisions taken by national parliaments? Let's say that we already had this system in place today: given the current make-up of the European Parliament (with a relative conservative majority and a social-democratic minority that shares many of the conservatives' ideological assumptions), would it not be fair to assume that the EP would likely have 'democratically' imposed on Greece (and Spain, and Portugal, etc.) more or less the same austerity policies that the troika has? Would this make those policies more acceptable in the eyes of the Greeks, Spanish or Portuguese? I find that hard to believe.

As noted by [Sergio Fabbrini](#), director of the LUISS School of Government in Rome, the 'parliamentarist' model of European integration 'fails to acknowledge the key difference between a nation state and a union of states', which is also the difference between a federal state (emerging from the disaggregation of a previously unitary state) and a federal union (created by the aggregation of previously independent states). As Fabbrini writes:

The EU cannot adopt a parliamentary form of government due to structural, rather than contingent, reasons. Regardless of the parliamentary rhetoric celebrated in the treaties, parliamentarism cannot give a feasible answer to the two main systemic constraints within the EU: the demographic asymmetries between its member states and the national differentiation between the latter's citizens. Given these systemic constraints, it would be unacceptable to recognise only the European Parliament as the source of governmental authority in the EU, if not as the source of the EU's democratic legitimacy. If this were to occur then the representatives of smaller member states (currently around three quarters of the total) would consistently be in a minority, given the national differentiation between citizens cannot be regulated through the same 'left vs. right' axis that exists at the national level.

Progressive integrationists usually respond to this by stating that a supranational democracy needs to go in hand with the creation of a 'post-national or supranational electorate'. For the great majority of ordinary European citizens, though, linguistic barriers and cultural differences impair the opportunity for political participation at a supranational level. This became apparent in the debate over the *Spitzenkandidat* system, used for the first time in the 2014 European elections to select the Commission president. Following the elections, many argued that Juncker's appointment was democratically legitimated by the fact that he was the candidate of the parliamentary group with the largest number of MEPs. [Habermas and other prominent intellectuals wrote](#) in support of Juncker's appointment suggesting that European citizens have the right to choose who leads the European Commission and that the election results showed that Juncker was 'the people's choice'. From a purely formal standpoint, they were right. But most of those who voted for the national parties that are members of EPP did not even know what EPP was or who Juncker was. This episode shows that there is a very real risk of EU-level democracy resulting in a form of supranational 'depoliticised democracy'. How do progressive integrationists propose to overcome these obstacles?

Oligarchic Capture

More in general, any debate about the 'parliamentarisation' of the EU needs to take into account the crucial difference between the formal electoral-representative process and true popular control. [As argued by Lorenzo Del Savio and Matteo Mameli](#), further integration, even if accompanied by a strengthening of the electoral-representative component of the EU, is not necessarily equivalent to more popular control. It is assumed that an enhanced version of the EU parliament would suffice for proper democratic control over the Union's major decisions. But this ignores the question of oligarchic capture, Del Savio and Mameli note:

Oligarchic capture does not just affect regulatory bodies and unelected officials. It also affects elected representatives. Augmenting the powers of elected officials that are vulnerable to oligarchic capture means augmenting the power of economic oligarchies. It means weakening popular control. Elected national parliaments and executives are highly imperfect tools for achieving popular control over decisions that affect people's freedom and wellbeing. Supranational parliaments and executives are even more inefficient in this respect.

The problems relating to lobbying and to the revolving doors issue – not just between big businesses and regulatory agencies but also between big businesses and elected offices – are in fact exacerbated at the supranational level.

It is for this reason that, in general, the transfer of sovereignty to international loci of political decision-making contributes to the weakening of popular control. International loci are in general physically, psychologically, and linguistically more distant from ordinary people than national ones are. This distance means more room for oligarchic capture. International loci of political decision-making are usually designed in such a way as to make it extremely difficult for ordinary citizens to understand how decisions are taken and to be able to influence and contest such decisions in an effective manner. This enhances the effectiveness of the mechanisms of oligarchic capture.

Post-democracy

These are issues that cannot be sidelined and that need to be addressed head-on. In general terms, they point to a wider crisis of electoral-representative democracy. It is widely agreed that in recent decades we have witnessed a ‘hollowing out’ of democracy and sovereignty at the national level. In the long-established democracies of Western Europe, electoral turnouts are in decline and membership is shrinking in all major parties. This is particularly evident in Europe, for obvious reasons. Colin Crouch coined the term ‘post-democracy’ to describe this new normal, defined as a society that continues to have and to use all the institutions of democracy, but in which they increasingly become a formal shell, and the energy and innovative drive pass away from the democratic arena and into small circles of a politico-economic elite. There are generally two ways of framing this phenomenon. One is that this is a somewhat inevitable – one may even say ‘natural’ – result of economic and political internationalisation, which has seriously eroded the ability of individual countries to decide their own destinies, and thus of national electoral-representative systems to formulate a general will that can bend the institutions of public power to sovereign ends. According to this narrative, the shift – in the European context – from a multiplicity of (increasingly powerless and non-sovereign) national democracies to a single (and truly sovereign) European supranational democracy is inevitable, whether we like it or not.

But there is another way of framing of the shift towards post-democracy. And that is that this isn’t the inevitable consequence of ‘global dynamics’ but – as acknowledged even in the DiEM25 manifesto – the result of an explicit process of ‘depoliticisation’ aimed at removing macroeconomic policy from democratic control and putting crucial areas of administration – such as monetary and fiscal policy – outside of political contestation. In this sense, the EMU can be considered the most extreme form of depoliticisation ever attempted. According to this narrative, the depoliticisation of individual nation states – including through a self-imposed reduction of their ‘sovereignty’, understood as the expression of popular will – can be understood as a way to roll back the democratic and social/economic gains that had previously been achieved by subordinate classes. If that is the case, are we sure that further ‘democratising’ the institutions of the EU/EMU is truly the best way forward?

Moreover, even if we accept that the failure of national electoral-representative systems is a historically determined fact and that there is no alternative to democratising the EU – that is, if we accept DiEM25’s basic premise – I would question the effectiveness of the movement’s ‘pan-European’ strategy. DiEM purports to change Europe’s system of governance ‘from the outside’ – i.e., at an institutionally non-existent pan-European level – but effectively all the major decisions are still taken at the inter-governmental level. This means that, realistically speaking, any serious structural change – such as a true ‘democratisation’ of the system – requires national governments agreeing to such a change. If not, how else? And if so, isn’t a strategy that deems the national level to be politically irrelevant – as [implied by Varoufakis](#) – inevitably doomed to fail? Isn’t there a risk of creating a pan-European movement that is culturally relevant but politically marginal?

Solidarity And National Interests

To put it differently, one could argue that solidarity-based cooperation is indeed in the interest of all European countries. In the real world, though, a country's 'national interests' are defined by the dominant political-economic establishment: if today Europe remains deeply divided among (often fictitious) ethnic, cultural and identity fault lines it is because it is in the interest of European capital – notwithstanding the inter-capitalist struggle between core-based and periphery-based capital – to pursue a divide and conquer strategy vis-à-vis labour. Does this not mean that if we want to overcome these inter-state tensions we first have to change the balance of power *within* those countries? And does this not point to the need of a national rather than pan-European approach to change? As I wrote in my 2014 book, achieving EU-wide reform will also:

require the political elites of the periphery countries to acknowledge the reality of the core–periphery division (and the wider inter-capitalist struggles under way in Europe) and create a common front to exert pressure on Germany (and the other countries of the core) to shoulder part of the burden of redressing the intra-euro trade and economic imbalances, and in the shorter term agree to some much-needed institutional changes.

Also, DiEM25's manifesto offers little insight as to the position that European progressive movements should take with regard to the authoritarian, top-down 'federal' integration being proposed and pursued by the EU establishment (exemplified by [Schäuble's proposed 'fiscal union'](#), for example). Would Varoufakis agree with the notion that any further integration should be considered desirable *only* if, when, and to the extent that it is accompanied by the enhancement of popular control at a local, national, and supranational level, and that the current processes of top-down integration should be opposed?

Finally, DiEM's approach takes the survival of the EU/EMU for granted. But that remains to be seen. By concentrating on the reform of existing European institutions, isn't there a risk for the Left of finding itself dangerously unprepared in the face of an unforeseen implosion of the monetary union? Especially if we take into account that there is little reason to believe that Germany and the other countries of the 'ordoliberal bloc' would yield to a reform of the EMU in a more Keynesian, progressive direction, even in the unlikely event that we could get a sufficient number of countries to back such a proposal. If such a situation should emerge, the most likely outcome would be a German exit from the monetary union (leading to a possible collapse of the entire currency system).

This means that while periphery countries are right to aim strategically for a radical reform of the EMU, they should also be prepared to (i) exit the EMU and default on their debt if their demands for a symmetric readjustment are not met, or (ii) deal with a situation where the monetary union collapses precisely as a result of their demands (or for other exogenous reasons). To put it differently, I believe that what will ultimately make the difference, from a progressive standpoint, is not the theories that we develop today in regard to how we *would like* a reformed Europe to look like, but rather our ability to steer future developments, whatever they may be, in our favour.

To conclude, I would like to stress that I am profoundly indebted to Varoufakis for my own political development. I actually conclude my 2014 book by quoting the [Modest Proposal](#) by Varoufakis, Holland and Galbraith. I found myself largely in agreement with the proposal – and I still do. I also believe I largely echoed Varoufakis' position at the time when I wrote that

while the long-term strategy should be aimed at achieving change at the European – to some extent, post- national – level, this will only be attained through progressive change at the national level.

Today, Varoufakis seems to have changed his mind. I still hold that position to be (largely) true.