

On The Problems Of European Democracy And How To Solve Them

Sven Giegold and Yanis Varoufakis

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Today the new [DiEM25](#) movement headed by former Greek finance minister Yanis Varoufakis will be formally launched at an event at the Volksbühne in Berlin. In recent days, the German Green MEP Sven Giegold and Yanis Varoufakis had an interesting email conversation about the problems of EU level democracy. We reproduce the email conversation, which was [also published by Sven Giegold on his website](#), below so you can get an insight view into what kind of issues are at the forefront of the discussion.

Dear Janis,

with great interest I have read several drafts of your „Democracy in Europe Movement 2025“ ([5.0](#), [6.0](#), [7.0](#), [final](#)). I fully share the basic objective of your initiative: To bring more democracy to the European Union and to replace the failed austerity policies by democratic economic governance in Europe. The experience with European decisions and decision making since the start of the financial crisis has wrecked a lot of hope in the European project. Your movement in the making neither accepts the status quo of the European institutions nor follows Melanchon and Lafontaine in their call for a “plan B” to move European integration backwards. This could help to reconstruct hope for a better Europe rather than progressive disengagement with the European project which will only benefit from competition between nation states without common democratic rules.

Despite these good intentions I am convinced that the draft manifestos of DiEM25 contain a number of important contradictions and major flaws. In a spirit of critical solidarity I would like to share my thoughts with you. As I do not know who has been involved in drafting the manifesto I am sending you my observations in the form of an open letter.

First, your statements to deny the European institutions all democratic legitimacy denies that ultimately all European institutions are democratically accountable. The finance ministers who have demanded austerity programmes were accountable to their national parliaments. The European Parliament had unfortunately no direct control over these programmes but could control the involvement of the Council, the European Commission or the ECB. That this happened to such a shamefully weak degree was not mainly a consequence of a lack of powers of the European Parliament but because of an unwillingness of the majority in the European Parliament to use the existing powers. This was because the political parties of austerity programmes won a majority in the last two European elections and have a majority in the Council.

Obviously majorities in parliaments are not sufficient in order to constitute full democratic legitimacy. Europe suffers from a lack of legal possibilities to control the respect of fundamental rights through its policies. Europe suffers from a lack of transparency in particular of the Council and the Eurogroup. Europe suffers from an excess of influence of powerful business lobbies influencing policies through European and national institutions. Europe suffers from a lack of direct participation of its citizens. Democracy in Europe has to be improved but Europe is not undemocratic. Strong limitations of democracy are to be found and tackled on all levels of policy making – European, national, regional and local.

Second, your statements about the Brussels bureaucracy are disrespectful and populist. It is not the “bureaucrats” who decide in Brussels. Key decisions are taken by the Council and the European Parliament. The worst decisions of the Eurogroup were not taken by bureaucrats but by finance ministers who were not accountable to the European common good but to national parliaments and citizens of their respective country. Where the European Commission, its agencies or the European Central Bank hold important room of manoeuvre they are acting under the control of the European Parliament and the Council. That neither the Parliament nor the Council tried decisively to change course is not to be blamed on the “bureaucrats” but on the interests and convictions of the majorities in these bodies. Equally it is true that we as Europeans failed to convince majorities in civil society to stand up against austerity policies across borders.

Third, I could not agree more than to tackle the four crises of public debt, banking, inadequate investment and rising poverty on the European level. But, it is contradictory to promise at the same time “sovereign peoples”, “limiting Brussels’ discretionary powers”, “returning powers to national parliaments” and “a sovereign Parliament respecting national self-determination”. Former versions of the manifesto did not contain this contradiction. Obviously, too many contradictory ideas were put into one compromise text. This is unfortunate, as too often solutions to crises fail because of an inability of European institutions to decide in the European common interest while respecting fundamental rights. National egoisms dominate too often and can prevail because of high hurdles or even consensus requirements to take decisions in the Council. Europe needs more truly European decisions not less. If problems can only be solved on the European level, democratic accountability and sovereignty has to be organized on this level too. This is not tackled in your draft manifesto but rather confused through its surprising rhetoric of national sovereignty.

Forth, I agree with most of your immediate proposals to bring more transparency and democracy as well as to create a constitutional assembly in the medium term. But it would be a severe mistake to organise this assembly outside of the existing treaties. The treaties do already foresee a constituent assembly. Inventing a new procedure for such an assembly outside of the treaties is a bad good idea. Refounding Europe outside of the treaties is not only unrealistic but also a recipe to disintegrate the European Union.

Lastly, I agree with you that there is a fundamental lack of transparency in European institutions such as the Council and the Eurogroup and its preparatory bodies. The same applies to the influence of lobbyists in Brussels as well as in the member states when contributing to EU policies. This has to change fundamentally. Unfortunately, the preparation of your initiative does not hold up to the same standards. It is not transparent who asked for the many changes in the different version of the DiEM manifesto ([5.0](#), [6.0](#), [7.0](#), [final](#)) and who decided which changes were accepted and why. Hopefully, your movement will become more democratic and transparent in the future.

For these reasons I will continue to watch your initiative with interest but reservation. Hopefully, these flaws of beginning can be corrected.

Green regards,

Sven Giegold

Response of Yanis Varoufakis (6th Feb 2016)

Yanis Varoufakis

Dear Sven,

Thanks for your critical comments. Brief replies follow:

1. The contradiction is not ours but the EU’s and concerns the clash between: (a) the fact the ministers

are indeed elected democratically and accountable to their Parliaments AND (b) the bodies that they participate in, and which make the crucial decisions, are not accountable to anyone – as bodies. Least of all to the European Parliament which is a Parliament only in name so long as it cannot legislate or fire the Council.

2. “Second, your statements about the Brussels bureaucracy are disrespectful and populist. It is not the “bureaucrats” who decide in Brussels. Key decisions are taken by the Council and the European Parliament“. Our disagreement on this could not be more pronounced. I have watched momentous decisions being taken by a Mr Thomas Wieser (whom no one ever elected and few know) over and above the heads of clueless finance ministers. I have seen how irrelevant the European Parliament is in the decisions that condemn millions to poverty (MEPs are not even informed). The Manifesto’s statements on the Brussels shadowy technocracy are spot on and the precise opposite of populist: they are accurate and are being made at significant political cost. (Allow me respectfully but utterly to reject your use of the word ,disrespectful‘)

3. I understand why a cursory look at our call for Europeanising the five sub-crises may seem to contradict the parallel call for returning sovereignty to national Parliaments. Except that a closer look at our proposals (see attached) reveals that this is precisely what is necessary and feasible. We are proposing a new modus operandi of the ECB, ESM and EIB that will reduce the discretionary power of technocrats, stabilise Europe’s social economies and, at the same time, increase the sovereignty of the national parliaments. In short, it is a fallacy to think that Europeanising certain realms (like public debt and aggregate investment) must come at a further loss of national sovereignty. Click [here](#) for an analysis.

4. We do not mind how the Constituent Assembly is convened. If the current Treaties allow it, let’s use them. If not, we need to do it anyway. The troika invents new rules and new interpretations of the Treaties when they suit its terrible agenda. Why should we not do likewise for an excellent purpose?

5. The Manifesto plays the role of setting the principles around which DiEM’s members will coalesce. Once it is in place, then every decision that follows will be made collaboratively in the spirit of the Manifesto. But the Manifesto, like a poem, cannot be written by everyone at once, including those who oppose its underlying principles. (The fact that you have seen a variety of its drafts proves that the process has been remarkably open and transparent.)

Lastly, I want to thank you for your comments – they made think about important issues. But do allow me, since you felt (rightly) free to offer me advice, to offer you advice also: Reading your email, I could sense a free spirit that has spent too long in those awful neon-lit corridors in Brussels. The Brussels’ ideological mindset must be set aside if Europe is to be saved from its incompetent rulers.

Best

Yanis

Response of Sven Giegold (7th Feb 2016)

Dear Janis,

Thanks for your rapid response.

On democratic legitimacy

We do disagree on the role of the European bureaucracy. Obviously, I agree the Troika has made unacceptable mistakes but and it acted with the support of majorities in national parliaments and the European Parliament. The Eurozone Working Group, headed by Thomas Wieser, which you quoted, is an

excellent example. The Eurozone Working Group is not transparent but it is not the “Brussels bureaucrat” Wieser who really takes the decisions. He is acting under the auspices of representatives of all finance ministries in the Eurozone which form the Eurozone Working Group. And those are following the orders of their national finance ministries. At least in the case of Germany I have discussed with all the acting persons: Obviously, Mr. Schäuble does not follow all details, of which some are important, but he certainly agrees with the general lines of his services and he is backed in this by a majority in the Bundestag. The Bundestag has taken its role seriously to control the German government with its positions in the Council, but unfortunately the majority of the Bundestag tended to demand even more austerity than the government. Equally the finance ministers in France and Italy could have stopped the direction of Troika policies if they had wanted.

Equally, the European Parliament is not as powerless as you indicate. It is tasked to control the European institutions (Art. 14 TEU), it can block the budget and put money into reserve, it can leverage its power in legislation and it can even dismiss the European Commission (art 234 TFEU). The sad truth is that the majority in the European Parliament – here conservatives, liberals and moderate eurosceptics – supported the austerity policies and therefore the European Parliament has not used its powers to change the austerity policies.

Therefore, I conclude: It is populist to put the responsibility on the “Brussels bureaucrats” which often do an important and indispensable service. We have to face it: The failed and unjust austerity policies were a result of decisions taken by democratically elected governments and in many member states they were backed by majorities in their respective electorates.

I agree with you that the lack of transparency in the European decision making has helped to stabilise these pro-austerity majorities. Therefore, it is critical that the Eurogroup and its preparatory bodies are becoming truly transparent. And if DiEM can contribute to achieve this it would be a clear step forward. It is also crucial that the European Parliament gets additional rights in this regard. I am convinced that a public vote in the European Parliament on any programme of structural reform would have been more reasonable than the ones which were backed by national governments and parliaments only.

Obviously democratic majorities in parliaments or the public is not sufficient to constitute legitimacy of political decisions. The Troika programmes have violated fundamental rights in several respects. This could be tested through going to the European Court of Justice. Any progressive government in Europe could and should do this. In the European Parliament there is no majority for such a step.

On sovereignty

Of course I know your “modest proposal” and I agree with you that there are several areas of EU policies where Europe could and should decentralise decision making powers e.g. when it comes to public services and local authorities. But, there are more important fields of policy where we need more common European decision making such as fighting tax dumping, common investment policies, common foreign policy and fighting climate change and organised crime together. Your manifesto calls thankfully for a strong democratic Europe. But at the same time the manifesto claims in general language national sovereignty. Here, your manifesto is unfortunately contradictory and makes false promises. No nation state can exert its sovereignty nationally alone. It is neither right nor progressive to claim otherwise.

On the constitutional assembly

The Treaties foresee a constitutional assembly (“convention”) but in another composition than you propose. I am convinced that the rule of law is fundamental to build Europe. Europe cannot be constructed successfully through the logic of rupture. Rupture is much more likely to lead to disintegration and conflict between nations. Therefore, all who want to change Europe and its institutions should not vaguely call for a rupture but use the plentiful options for change which the treaties foresee.

Calling for a rupture in the existing European process risks new nationalisms rather than democratic deepening. Ironically this is just the same risk of renationalisation that the unjust and flawed Troika programmes cause.

On transparency

Concerning the transparency of DiEM itself: I have rarely seen collectively written poems. Therefore, it would be interesting and transparent to see your original draft of the manifesto and to learn who has suggested the changes which led to unfortunate sovereignist text in the final text. This would be a clear proof of walk your talk and of your commitment to transparency.

Lastly, I want to firmly reject your personalising of my comments. By linking my arguments to “neon-lit corridors” in Bruxelles you move unfortunately beyond respectful debate.

Best regards

Sven Giegold