

SOCIAL DEMOCRACY READER 4

Cäcilie Schildberg et al.

Europe and Social Democracy



AKADEMIE
FÜR SOZIALE
DEMOKRATIE

FRIEDRICH
EBERT 
STIFTUNG

ISBN 978-3-86498-844-8 2nd, updated edition, 1st English edition



Published by

Friedrich-Ebert-Stiftung

German edition: Political Academy, Bonn, February 2014

English edition: Division for International Cooperation, Berlin, May 2014

The first (German) edition was supported financially by the Erich-Brost-Schenkung.

»One of the advantages of democracy that no other form of state can substitute is discussion; only that enables the voters to take their bearings. That alone forces them to take a position.«

(Erich Brost 1951)

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Printing: Mauser + Tröster GbR, Mössingen

Layout and typesetting: DIE.PROJEKTOREN, Berlin

Title photo: Sven Hopp, fotolia.com

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FOREWORD to the First English language Edition

The history of the European Union is sustained by the fascinating idea of peace and freedom in a united continent. In 2012 the EU was awarded the Nobel Peace Prize, which was both recognition and a challenge. However, it is also true that these days one often hears the EU mentioned in connection with the word »crisis«.

When the unregulated financial markets collapsed in 2008 the lending banks were bailed out by the state. Public debt rose enormously as a consequence and some countries have experienced problems obtaining new loans: this is the basis of what is known as the »euro-crisis«. However, this is misleading because the euro exchange rate has been stable for years. The crisis cannot be denied, but this book seeks to inspire hope.

The Friedrich-Ebert-Stiftung is committed to the goals of social democracy and the ideals of the labour movement. Social democracy is a universal idea. It is borne by the conviction that the conflict between labour and capital shapes the political debate and reality not only in one country but in all countries. In a time of internationally interwoven economies, global challenges and world-encompassing communication networks this is more pertinent than ever.

For social democrats European unification is thus a key project. Freedom, justice and solidarity: cooperation between European neighbours offers the chance of realising these fundamental social democratic values – more than any country could manage alone. A social Europe – that is the vision that sustains this reader.

The path towards a genuinely democratic and social Europe may be long, but despite all the problems it is robust: the EU is the project of regional cooperation that, by international comparison, has achieved the highest level of mutual interrelations to date. It is important for the future of the EU to learn from its history. Other regional alliances can use its background circumstances, problems and opportunities as examples both good and bad.

Thus this reader is now being published in English. It is offered as a helping hand for political decision-makers and opinion formers in the more than 100 countries in which the Friedrich-Ebert-Stiftung promotes democracy and development, and contributes to peace and security. The idea underlying the EU is magnificent.

This book constitutes an invitation to tackle in detail and in various policy areas how this magnificent idea can best be realised.

At this point we would like to direct the reader towards the work of the Friedrich-Ebert-Stiftung's International Policy Analysis unit (IPA), from which this volume has benefited considerably. We would like to thank Gero Maaß, Cilia Ebert-Libeskind, Jan Niklas Engels, Christos Katsioulis and Björn Hacker for their council and comments.

Special thanks go to Cäcilie Schildberg, Martin Timpe, Tobias Gombert and Anne Wagenführ. Cäcilie Schildberg, as the main author, wrote the major part of this Reader. Martin Timpe, Tobias Gombert and Anne Wagenführ have contributed in manifold ways to the editorial work.

We would also like to thank Michael Dauderstädt and Michael Fischer for their advice on the conception of the book and Severin Fischer, Julian Schwartzkopff, Kaki Bali, Ronja Kempin and Niels Gatzke for their various contributions to bringing the volume up to date.

Finally, we should mention the help provided by Angelica Schwall-Dürren, currently European Affairs Minister of North Rhine Westphalia. We are extremely grateful for her collaboration in the conception of the book and her valuable remarks on the first German edition. Our thanks go to her and all those who participated; any shortcomings are entirely our responsibility.

The symbol of the Academy of Social Democracy is a compass. By means of the Academy and what it has to offer the Friedrich-Ebert-Stiftung would like to provide a framework within which perspectives and orientations might become clearer. We would be delighted if you were to take advantage of what we have to offer to try to find your political path. Citizens' debating with and committing themselves to one another constitute the very lifeblood of social democracy.



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Head

Academy of Social Democracy



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Social Democracy Readers

Bonn, April 2014

1. INTRODUCTION

Everybody has an opinion on Europe¹. To take just a few examples of the range of views:

Peace

»Europe – for me it's a guarantee of peace. I've experienced the Second World War, destruction and genocide. Europe has brought us peace, from the Coal and Steel Union up to the present. Today, Europe can contribute a lot to ensuring social peace – also in Germany.« (Renate, 78, pensioner)

»Europe – for me it is not a force for peace. The EU should do much more for disarmament.« (Torsten, 23, student)

This broad spectrum of opinions also characterises other areas of Europe, for example, the continent's democratic development:

Democracy

»For me as a social scientist Europe is an exciting political integration project. Never in history has there been such a successful attempt to integrate an alliance of states over a period of decades by democratic means. At the same time, the project is under threat of citizens' losing interest in it. Voter turnout in European elections is alarmingly low. Democratisation must be brought into focus if Europe is to have a future.« (Karla, social scientist, 40)

»Europe – I don't know much about it. But I've been on a school exchange visit to France and I've been on holiday with my parents in many other European countries. I've made some new friends there. It's cool that I can travel everywhere without any hassle and that we understand one another. Otherwise Europe doesn't really interest me that much.« (Martina, 18, school student)

On the issue of developing prosperity:

Prosperity

»Europe – it's a great thing. I have a small solar technology company. It's small but we produce cutting-edge technology and we can now sell it as far as Portugal, instead of only going there on holiday.« (Hans, 52, self-employed)

¹ Europe, of course, goes beyond the member states of the European Union. By »Europe« we mean here Europe's economic and political integration in the form of the EC/EU. The terms »Europe« and »EU« are used synonymously in what follows. Any deviations from this will be clearly noted.

»Europe – it doesn't interest me. I'm a German. Also, we should never have given up the Deutschmark.« (Georg, 62, pensioner)

On the issue of social equity:

»Europe – it doesn't do me any good. I work as a fitter in a town near the Polish border. If Polish fitters with their lower cost of living push down prices how will I be able to make a living? And when I look at what it all costs. We're cutting social benefits left, right and centre and yet we transfer millions of euros to Brussels. That's not right.« (Markus, 32, fitter)

Social equity

»Europe – as a Greek I'm fairly ambivalent about it. Our government has been forced by Europe to cut social benefits to ruthlessly overhaul the budget. On the other hand, Europe stood by us when the rating agencies dropped us.« (Kostas, 47, teacher)

Or on sustainability in relation to EU policies:

»Europe – the environmental directives are all well and good, but jobs are important, too.« (Sabine, 44, chemist)

Sustainability

»Europe – that's our chance to finally do something about climate change. If Europe sets an example hopefully something will be done internationally.« (Tim, 21, student)

Evidently, assessments of the EU differ enormously. That is not surprising given the scale of the project. If one looks more closely at people's views, however, two things become apparent.

Different views on Europe

These statements do not concern only the European Union. Rather they also say something about the people themselves.

Reflected in these opinions is both expectations and desires with regard to the European Union, for example, on the question of whether the EU is primarily a single market or whether a political union is desirable.

Furthermore, one also has to distinguish whether the views cited refer to historical development, the current state of affairs or the future potential of the European Union. This book is constructed with a view to addressing these areas with all their tensions.

*Chapter 2:
Programmatic
framework*

In Chapter 2 we try to shed light on the programmatic framework: in other words, the question of expectations of and for Europe from a social democratic perspective and what potential social democrats see in Europe.

*Chapter 3 and 4:
Europe today and
tomorrow*

The historical development and current state of the European Union are examined in Chapter 3. In Chapter 4 possible reform measures are outlined.

*Chapter 5: The views
of political parties*

The focus of Chapter 5 is a comparison of the basic and European-policy programmes of the CDU, the FDP, the SPD, Bündnis 90/The Greens and »The Left« party.

*Chapter 6: The
European debate in
various countries*

Finally, it is particularly important in the European context to understand not only the national political landscape, but also to be able to get a handle on European debates in other countries. Chapter 6 provides this with a comparison of European debates in Germany, France, the United Kingdom, Poland and Greece.

First, an invitation. Before you start reading the book, take a look at Figure 1. It shows two people sitting on a park bench discussing Europe.

*50 years of Europe:
What's the verdict?*

Clearly, the younger man is not particularly inspired by the claim that Europe has stood for peace for 50 years. What would your response have been? Do you share his view, which refers primarily to a historical achievement, or are the current state of the European Union or certain future possibilities or concerns more important to you? Keep your answer in mind as you read; we shall return to it at the end of the book.



Figure 1: © Chappatte, International Herald Tribune, www.globecartoon.com

20 European abbreviations

CFSP: Common Foreign and Security Policy

COR: Committee of the Regions

EA: European army

EC: European Communities

ECB: European Central Bank

ECJ: European Court of Justice

ECSC: European Coal and Steel Community

EEAS: European External Action Service

EEC: European Economic Community

EMU: Economic and Monetary Union

EP: European Parliament

ESC: Economic and Social Committee

ESDP: European Security and Defence Policy

ETUC: European Trade Union Confederation

EU: European Union

EURATOM: European Atomic Energy Community

Eurostat: Statistical Office of the European Union

OMC: Open Method of Coordination

PES: Party of European Socialists

SEA: Single European Act

2. SOCIAL DEMOCRACY – A COMPASS FOR EUROPE

Christian Krell and Jochen Dahm

In this chapter:

- the historic significance of the European project for social democracy is outlined;
- the basic values of social democracy (freedom, justice and solidarity) and their significance in political action are explained;
- how the basic values of social democracy are realised in political, civil, social, economic and cultural fundamental rights is shown;
- why fundamental rights for, with and about Europe need to be implemented in the face of new challenges for nation-states and in the tradition of internationalism and international solidarity;
- on this basis five principles of a social democratic European policy are laid down and discussed: peace, democracy, prosperity, social equity and sustainability;
- how the models of a social Europe and of a libertarian Europe can be distinguished on the basis of these European-policy principles, with reference to the book *The Theory of Social Democracy* is shown.

*Europe: important
early on*

A united Europe!

As early as 1886, when European integration still lay in the distant future and even Germany was still made up of various individual states, the Leipzig draft programme of the General Association of German Workers² formulated the idea of »a European state based on solidarity«.

In 1925, when the horrors of the First World War had not yet faded from memory the SPD called for »the formation of a United States of Europe in order to appeal to the solidarity of interest of the peoples of all continents« (Heidelberg Programme 1925, quoted in Dowe/Klotzbach 2004: 203).

² The General Association of German Workers merged with the Social Democratic Workers' Party of Germany in 1875 to become the Socialist Workers' Party of Germany, which in 1890 was renamed the Social Democratic Party of Germany (SPD).

Today, almost 150 years after its first declaration of faith in Europe the SPD is still committed to European integration. Central to this is its demand in the Hamburg programme of 2007:

»Social Europe must become our answer to globalisation.« (Hamburg programme 2007: 25)

Why has the European idea always been so important for social democracy? The answer to this question can be found in the following considerations.

First, it involves recourse to the basic values of social democracy (freedom, justice and solidarity) and their realisation in the UN's basic rights covenants.

However, it also focuses attention on social democratic traditions of internationalism and international solidarity. Only by this means can the requirements of the basic values and the fundamental rights by which they are implemented be realised: if countries cooperate across borders.

In order to realise fundamental rights and basic values social and state action is ultimately required. The scope for this at national level has narrowed as a result of the new framework conditions arising from globalisation. However, that is ultimately a reason why an integrated Europe was and is an important project for social democracy.

*Europe and social
democracy*

*Basic values and
fundamental rights*

*Internationalism and
international soli-
darity*

State obligations

2.1. Basic Values

Freedom, justice and solidarity – these are the basic values of social democracy. Inspired by them, people strive for a society in which they are realised.

The basic values of social democracy are described, derived and illustrated in detail in Reader 1 *Foundations of Social Democracy*. In this volume, therefore, we shall provide only a brief definition.

Freedom

Freedom means primarily living a self-determined life. A free person should not have to fear arbitrary interference by the state or society.

Equal freedom

At the same time, freedom means being free from degrading dependencies, from want and fear, and thus also means having the opportunity to develop one's personality. Genuine freedom is achieved only when the economic and social conditions for exercising freedom are in place.

Social democracy also strives for equal freedom. Everyone should be equally free and be able to use their opportunities for freedom. The limits of individual freedom also arise from this: where the freedom of one individual impinges on that of another individual it has to be constrained.

Thus in a democratic society a dynamic understanding of freedom is needed: how far the freedom of the individual goes; it is not easy to judge at what point the freedom of the individual affects that of others and where it has to be protected. This is the task of democratic negotiation.

Further reading:

Reader 1: Foundations of Social Democracy (2009), Chapter 2.

For discussion

How strict is the ban on smoking?

»No more smoking at the Oktoberfest« – in 2010 there was a referendum in Bavaria to decide whether a strict smoking ban would be introduced or not. Specifically, this pits the freedom of smokers against that of non-smokers. Ultimately, it involves weighing up benefits, which was legitimately negotiated and decided in a democratic way.

Task: Think about your views on this and how they might be justified.

Justice

Justice can never be defined in absolute terms, but always describes a ratio with regard to the distribution of tangible or intangible goods, but also of opportunities. Every person is born free and equal with rights. The first measure of the distribution of goods is this the principle of equality. Unequal distribution has to be justified, for example, on the basis of different entitlements or different needs.³

Justice is founded on the equal dignity of all persons and calls not only for equality before the law, but also equal opportunities with regard to participation and social security, regardless of family background, social origins, wealth or gender.

Justice: more than formal equality

For discussion

Example for a debate on justice

Six people work at an advertising agency. There is a disagreement about planning for the Whitsun holiday because everyone wants to go on holiday.

Thomas	<i>Single father with two school-age children</i>	Tied to school holidays because of his children
Dirk	<i>Employee with a serious degree of disability (80%)</i>	He wants to take educational leave to take a course entitled »Back pain – how to stay healthy«
Ahmed	<i>Married, his wife is a teacher</i>	Tied to school holidays because he would like to go on holiday with his wife
Charlotte	<i>Lives with her partner</i>	Wants to go on holiday because she has given way to her colleagues in this regard for the past six months
Anton	<i>Father with ten children</i>	For years he has taken part in family riding competitions at Whitsuntide
Cäcilie	<i>Has a family with no school-age children</i>	Is involved in voluntary work and wants to moderate a seminar for the Academy of Social Democracy

Task: Imagine you have to organise a »just distribution of holidays« and want to act in a social democratic way. What might a solution look like?

³ In Reader 1 *Foundations of Social Democracy* the twin concepts of equality and inequality are discussed in detail in Section 2.2 »Equality/inequality«. Reader 3 *Social Democracy and the Welfare State* Chapter 3 – »Justice in the welfare state«, describes how different principles of justice are complementary.

Solidarity

Solidarity is people's willingness to stand up for and to help one another. It is thus a sense that there is a mutual bond and responsibility. Social Democrat Johannes Rau described solidarity as the cement that holds society together. The history of the labour movement shows that solidaristic cohesion of a group striving for freedom and justice can create a force capable of changing society. Solidarity cannot be decreed by the state but social spaces can be enabled in which people can act on the basis of solidarity.

Social democracy has always emphasised that its understanding of solidarity does not stop at national borders. On the contrary: international solidarity may be found in virtually all programmatic documents drafted by social democrats. In the international context in particular, when state and multilateral actors have difficulty getting things done, solidarity can be a driver – a driver to provide, within the framework of international cooperation, for institutions that realise basic values and fundamental rights for all.

For discussion

Two social projects compete for funding within the framework of a citizens' budget:

Project 1: A parents' initiative would like to integrate clubs (sports clubs, art studio, music school and so on) in a part of the city to enable students to take part in cultural activities all day.

Project 2: A housing association is to be set up in a small town to make affordable accommodation available. In order to obtain start-up financing it has bid for a subsidy from the citizens' budget.

Task: Develop ideas for the two projects to make them as solidarity-oriented as possible.

Importance of the Basic Values for Political Action

In political action the basic values have a dual function:

- on one hand, they can provide benchmarks for the political desires of an individual or of a political or social movement;
- on the other hand, they can provide benchmarks for assessing social reality.

In the meantime, all the important political strands in Germany invoke the basic values of freedom, justice and solidarity. The basic values have also found their way into the Preamble of the EU's Charter of Fundamental Rights:

»Conscious of its spiritual and moral heritage, the Union is founded on the indivisible, universal values of human dignity, freedom, equality and solidarity.«
(European Union 2000)

It is important to realise, however, that different political tendencies understand these basic values in different ways, in terms of both their contents and particular emphases.

From the standpoint of social democracy the basic values are on an equal footing and both presuppose and constrain one another:

»Freedom, equality, fraternity«, the basic demands of the French Revolution, are the foundation of European democracy. Because the goal of equal freedom in modern times has become the notion of justice, freedom, justice and solidarity have become core values of democratic socialism in freedom. They remain our criterion to assess political reality, the yardstick for better social systems and orientation for the actions of Social Democrats.« (Hamburg Programme 2007: 14)

Basic values: dual function for political action

Consensus on the basic values?

Differences of content and emphasis

2.2. Fundamental Rights

When one considers what the basic values outlined here mean for the Europe-policy principles of social democrats a twofold problem arises.

*Line of reasoning
from basic values to
fundamental rights*

First, the basic values are not uncontested. Different political tendencies, but also different cultures associate them with different things. Furthermore, they do not provide a broad and generally accepted basis for policy orientation, for example, on Europe.

Second, the basic values operate at a high level of abstraction. If political principles are to be described, however, we need to be specific. The basic values alone are not enough to give us precise and substantive guidance on European policy.

What do the basic values thus mean for concrete policy on Europe? How do they find expression in political practice? What – one might ask, for example – does the basic value of freedom mean in relation to the recast European working time directive?

It is clear that the basic values of social democracy are an important framework when it comes to describing social democratic policy on Europe. However, it is also useful to find a broader and more binding foundation on which to formulate precise and specific demands.

The *Theory of Social Democracy* (Meyer 2005) thus refers not only to basic values but also to fundamental rights. The basic values are more easily grasped in the fundamental rights, laid down in the UN's basic rights covenants. They are derived from abstract values, but form a reference for concrete policies and precisely formulate rights for every individual. In this sense they can also be understood as »intermediate principles« (Höffe 2001: 70) between abstract values and concrete policies.

Further reading:

*Thomas Meyer
(2005), Die Theorie der Sozialen
Demokratie,
Wiesbaden.*

*Reader 1:
Foundations of
Social Democracy
(2009), Chapter 4.*

There are a number of arguments in favour of referring to the UN Covenants when it comes to working out social democratic principles with regard to policy on Europe:

- the UN Covenants are the most consistent legally binding, international and cross-cultural sources for fundamental rights and thus for human co-existence;
- the UN Covenants formulate very specific and precise rights for every individual.

What exactly is meant when we talk of fundamental rights? In 1966 the UN drafted two international covenants on fundamental rights.

*Two covenants on
fundamental rights:
Civil Covenant...*

*... and Social
Covenant*

Negative fundamental rights are primarily protective rights that are supposed to protect individuals from interference by the state in their daily lives. Classic negative civil rights and liberties enshrined in Germany's Basic Law include religious freedom, inviolability of the home and the right to free expression.

Positive fundamental rights are materially enabling rights. They make it possible to actually take advantage of formal freedom. The right to education or the right to work, which are enshrined in some state constitutions in Germany, are examples of positive civil rights and liberties.

The International Covenant on Civil and Political Rights (Civil Covenant)⁴ nominates primarily the so-called negative civil rights and liberties, in other words, protective rights against the arbitrary interference of the state or society in personal freedoms. These include, for example, the right to personal freedom and security (Art. 9) and the right to untrammelled freedom of opinion (Art. 19) and free and secret ballots (Art. 29).

The International Covenant on Economic, Social and Cultural Rights (Social Covenant)⁵ primarily lays down the so-called positive civil rights and liberties, in other words, enabling rights that are supposed to enable and promote the freedom of the individual by means of government measures or measures taken by the international community and society. They include, for example, the right to work (Art. 6), as well as rights to fair, safe and healthy working conditions (Art. 7), the right to organise free trade unions (Art. 8), the right to social security (Art. 9) and the right to free education and further education (Art. 13).

4 International Covenant on Civil and Political Rights of 19 December 1966 (quoted in Heidelberg 1997).

5 International Covenant on Economic, Social and Cultural Rights of 19 December 1966 (quoted in Heidelberg 1997).

The Civil Covenant has now been ratified by 167 states and the Social Covenant by 161 states. But a word of caution: the Covenants have also been signed by states that violate fundamental civil rights and liberties systematically. A huge gap sometimes separates claims and reality.

Crucial: implementation of fundamental rights in practice

It is the aim of social democracy to close this gap and to implement the political, civil, social, economic and cultural fundamental rights laid down in the UN Covenants everywhere in such a way that they do not merely apply formally but also have a real effect.

European level

At the European level there are two other sources in which fundamental rights are laid down: the European Union's Charter of Fundamental Rights and the European Human Rights Convention.

European Human Rights Convention

The European Human Rights Convention gathers primarily political and civil, in other words, negative civil rights and liberties. It came into being within the framework of the European Council⁶ and is thus independent of the European Union. By means of a reference in the European Union's Charter of Fundamental Rights, however, the fundamental rights laid out in it are enshrined in EU law and »form part of Union law as general principles« (Art. 6 para 3 EU Treaty).

EU Charter of Fundamental Rights

The Charter of Fundamental Rights encompasses not only negative civil rights and liberties, but also economic and social rights, for example, the right to »healthy, safe and decent working conditions« (Art. 31), »protection against unfair dismissal« (Art. 30) and the right to a »free placement service« (Art. 29).

The direct legal effect of the European Human Rights Convention and the Charter of Fundamental Rights is limited. Their importance cannot be compared with that of the fundamental rights enshrined in the Basic Law for the German legal system, for example.⁷

However, it would be wrong to rely solely on formal and legal procedures in realising fundamental rights.

⁶ The Council of Europe is an international organisation founded in 1949 and independent of the EU. The Council of Europe must be distinguished from the European Council (see pp. 49 ff.).

⁷ For more detail see Section 3.3.

Anchoring fundamental rights in the law is a first, important step; shaping them in such a way that they can be invoked is a second. What is essential is that fundamental rights have a real effect in people's lives.

The »ideal of free human beings enjoying freedom from fear and want« described in the UN Covenants is ultimately a political and moral claim.

It is the claim of social democracy. Social democracy is at heart a programme for the consistent realisation of positive and negative civil rights and liberties throughout the world and means – according to a key idea of the *Theory of Social Democracy* – that it can put its programme on a foundation recognised by almost every state in the world in the UN Covenants.

*Social democracy:
Implement funda-
mental rights!*

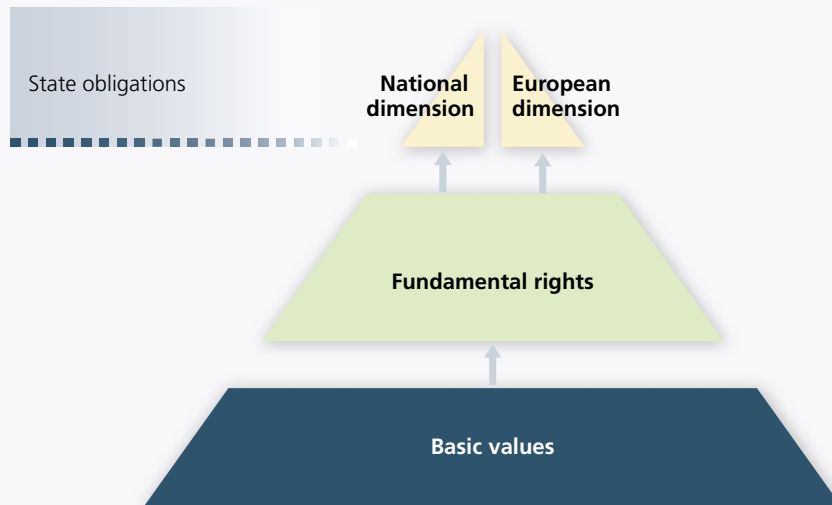


Figure 2: Relations between basic values, fundamental rights and state obligations

2.3. Europe and Social Democracy: Three Connections

Three connections

What does this orientation towards basic values and their implementation in fundamental rights have to do with Europe? Three connections make clear why social democrats have always been committed to European integration throughout their history and why it remains an important goal.

1. Scope for action

First, Europe is important because the European level in general offers scope for action that has been lost at the national level.

2. Internationalism

Second, there is the normative claim of internationalism that basic values and fundamental rights shall apply universally.

3. International solidarity

Third, the issue of international solidarity and thus the tradition of international cooperation explain the considerable importance that social democrats attribute to the European project.

Linked to that is a substantial strategic reason: the more social conditions converge between countries the less potential there will be, for example, to play workers off against one another. Solidarity is thus not a one-way street or charity but of central importance for the majority of people.

State Obligations at the European Level

The dismantling of trade barriers, bringing previously isolated national economies (such as China) into the world trade system, increasing transnational communication and cooperation, as well as dynamic technological innovation have driven a process frequently referred to as »globalisation«.

In this globalised world nation-states come under pressure in various contexts. At the same time, state action is important for social democracy. Its demand for equal freedom can be realised only with the help of state institutions.

Fundamental rights give rise to concrete challenges and obligations for state action. The state issues an ultimate guarantee of fundamental rights. If state action within the national framework – for example, due to globalisation – is not viable across the board resort must be had to alternative state levels in order to realise fundamental rights.

Further reading:

*Reader 2: Economics
and Social Democracy
(2009),
Section 3.3.*

*Reader 3: Welfare
State and Social
Democracy (2012),
Section 5.2.*

In this respect, the European Union has reached a decisive point in recent years. It offers, by reason of its relatively strong institutions, the opportunity to recover the scope for action lost at the national level (see Meyer 2005: 365).

»Where the nation state is no longer able to provide the markets with social and ecological frameworks the European Union has to take over. The European Union must become our answer to globalisation.« (Hamburg Programme 2007: 26)

But a word of caution: the point of departure for European integration was a common market. The dismantling of trade barriers is easier to accomplish within European structures than the construction of new organisational principles, for example, for social security or social participation (see Meyer 2005: 365–367).

A Social Europe will thus not emerge as a matter of course. Section 2.5 shows, however, that there is also no reason to deviate from the goal of a Social Europe or even from the idea of European integration.

Internationalism –

Universal Claims of Basic Values and Fundamental Rights

Among the goals of social democracy there has always been a claim to go beyond national borders. Freedom, justice and solidarity should not be the measures of political action only in Germany, but should be striven for worldwide.

Equal freedom is imaginable only as the freedom of all. Freedom only for the citizens of a given country, for example, but not for all people would be arbitrary. Even more clear-cut is the universal claim with regard to fundamental rights. The UN Covenants have been ratified by the majority of states.

As already noted, they are the most consistent legally binding cultural and cross-border sources for fundamental rights and thus for human co-existence worldwide.

Although this value orientation is a global goal the European level is also a significant framework. In any case, the European Union is among the most integrated and important political groupings in the world. For social democrats it is thus clear that their values must be realised not only worldwide, but in particular in – and with the help of – Europe.

For Discussion

Internationalism as Counter-argument

In a corner-bar in Berlin there is a heated discussion about so-called reception camps and European asylum policy. An Italian, a Frenchman and a German are having a lively debate. »From the Italian perspective it is difficult. African refugees flee to Italy. Fundamental rights are important but just a few countries have to pay for it.« »The French perspective is similar. It's all very well for Germany: on one hand, you're beneficiaries of the European economic area. You are world export champions, but it isn't enough merely to invoke human rights. How can we gain control over the flow of refugees as Europeans without acting inhumanly?«

Task: Arguing on the basis of an explicit internationalism what goals and procedures are appropriate for Europe in terms of social democracy?

*Labour movement:
organised
internationally*

International Solidarity – Transnational Cooperation

In the tradition of the labour movement the international orientation of its political parties was frequently clear in terms of practical policy, too. An early and famous expression of this was the final sentence of Marx and Engels's *Communist Manifesto*: »Proletarians of the world, unite!« (quoted in Dowe/Klotzbach 2004: 85)

This call to arms was sustained by the conviction of a necessity. Capital, which was increasingly organising itself internationally in the nineteenth century and cooperating across borders, had to be opposed by the international brotherhood of workers if the latter were to improve their often terrible living and working conditions and wanted to achieve democratic rights.

There is a lot to be said for the argument that only capitalism in the twentieth and twenty-first centuries, with its international integration and flexibility, has borne out this view.

*Socialist
International
and Progressive
Alliance*

Thus left-wing parties organise in Europe and worldwide in different international groupings. The Socialist International is one such arena, as is the Progressive Alliance, founded in 2013. Europe's socialist and social democratic parties are organised in the Party of European Socialists.

»The Socialist movement has been an international movement from the beginning. Democratic Socialism is international because it aims at liberating all men from every form of economic, spiritual and political bondage. Democratic Socialism is international because it recognises that no nation can solve all its economic and social problems in isolation.«

(Socialist International 1951, quoted in Dowe/Klotzbach 2004: 274)

Even the European trade union movement has come together internationally in the European Trade Union Confederation (ETUC). It describes itself as follows:

»The ETUC's prime objective is to promote the European Social Model and to work for the development of a united Europe of peace and stability where working people and their families can enjoy full human and civil rights and high living standards.« (ETUC 2010: 1)

In practice, the significance of international solidarity was clear, for example within the framework of transnational strikes by dock workers in 2003 and 2006. With coordinated work stoppages in »Rotterdam, as well as in Barcelona, in Marseille and Antwerp, as well as in Liverpool, Piraeus and Copenhagen« (Birske 2006: 1) dock workers were able to prevent substantial downgrading of their working conditions. The strikes were directed against drafts of a European Commission directive (»Port Package I + II«). The liberalisation envisaged in it is a first example of so-called negative integration, the problems with which are described in detail in Section 2.5.

For Discussion

International Solidarity – An Example

In the recent past General Motors has constantly threatened its European affiliates with staff reductions and plant closures, often leaving open who would be affected, whether wholly or in part.

Task: Imagine you are the chair of a European works council (EWC) who wants to persuade the other members of the EWC to commit themselves to an international strategy based on solidarity after such an announcement. What would you say to them?

*European
Trade Union
Confederation*

Further reading:
*Hans-Wolfgang
Platzer (2010),
Europäisierung der
Gewerkschaften,
Gewerkschaft-
politische Heraus-
forderungen and
Handlungsoptionen
auf europäischer
Ebene, Friedrich-
Ebert-Stiftung (ed.),
IPA, Berlin.*

2.4. Five European-policy Principles

It is clear that social democracy is oriented towards the basic values of freedom, justice and solidarity. These basic values are realised in fundamental rights. The claim of fundamental rights is universal. Their real effects, however, remain subject to social implementation and state action at both the national and the international levels.

Europe is important to social democrats because they also want to realise their values at the European level and they are committed to equal freedom across borders in international solidarity. In the age of globalisation Europe can be an important instrument in realising equal freedom.

What does this mean for social democratic policy on Europe? This Reader takes the view that a social democratic policy on Europe that seeks to realise social democratic basic values and fundamental rights in, with and by means of Europe must take its bearings from five European-policy principles:

- peace;
- democracy;
- prosperity;
- social equality;
- sustainability.

Peace and democracy, on this understanding, form the basis of the European project. Prosperity, social equality and sustainability have to be balanced on an equal footing on a peaceful and democratic foundation. It's important to keep at the back of one's mind that the term »principle« can mean very different things.

For us, the term »principle« has a number of functions. It describes areas of action and goals, but also methods.

Peace

»Peace is not everything, but without peace it all comes to nothing.«
(Willy Brandt 1982, quoted in Verlag J. H. W. Dietz Nachf. 1982: 20)

These words of former German Chancellor and then SPD chairman Willy Brandt were inspired not least by his personal experience during the Second World War. Wars have played a prominent role in the history of Europe over the centuries. Wars of conquest, civil wars, religious wars, all of them may be found in profusion.

After the Second World War lessons were learned from these experiences. First, production of coal and steel was communitised in order to make war – which is not possible without steel to make weapons – impossible. As Chapter 3 shows, this was only the prelude to further steps on the path to European integration. The award of the Nobel Peace Prize to the EU in 2012 – during a period of crisis – was another reminder of this historic success story. The EU now consists of 28 democratic states founded on the rule of law, associated within the framework of clearly regulated cooperation.

But how exactly peace can and should be achieved is the constant object of public debate. In Germany and Europe in the recent past military intervention has been extremely controversial and has regularly ignited a debate on »Europe as a power for peace«. Beginning with the intervention in the then Yugoslavia through the two Iraq wars and to the invasion of Afghanistan the discussion has regularly been ignited by the question of »Europe as a force for peace«.

The fact remains that from a social democratic perspective peaceful cooperation is a decisive condition of working together towards realising the basic values and fundamental rights. Only if peace – first and foremost the protection of life – is guaranteed can social democracy unfold.

For a Europe of social democracy the following must therefore apply:

- the structural disposition of the member states of the European Union must be peaceful, guaranteed above all by security of law and social peace;
- peace must have dominion over the EU member states and their dealings with one another must not be tainted by violence;
- in its foreign relations the European Union must also be peace-oriented and seek a more peaceful world.

*European
experiences of war...*

*... and the lessons
learned from them*

Democracy

The close mutual relationship between democratic participation and codetermination, on one hand, and social rights and social emancipation, on the other, has been a defining theme of the labour movement from the beginning. It is not surprising that social democrats early on invoked democratic principles at both the international and the European level. As early as 1951 the Socialist International asserted:

»Socialists strive to build a new society in freedom and by democratic means. Without freedom there can be no Socialism. Socialism can be achieved only through democracy. Democracy can be fully realised only through Socialism.«
(Socialist International 1951, quoted in Dowe/Klotzbach 2004: 269)

Social democrats, accordingly, committed themselves at an early stage to the direct election of the European Parliament. Willy Brandt's famous remark »We want to dare more democracy« from his policy statement of 1969 referred to the European level.

The realisation of democratic principles in the state and in society is, from a social democratic perspective, not only a goal to be striven for. It is also a principle that determines action. Action to achieve the goal of »democracy« must therefore be democratic itself. Democracy must find expression in both the process and the outcome.

Today the demand for democracy also at the European level is more pressing than ever. According to Eurobarometer, a representative survey of EU citizens, in autumn 2013 less than half were fairly (39 per cent) or very (4 per cent) satisfied with the state of democracy in the European Union. More than half are not particularly (32 per cent) or absolutely not satisfied (14 per cent) (Eurobarometer 2013a).

»More and more areas of life are affected by European decisions. We want to create a Europe of the citizens. We want to dare more European democracy.«
(Hamburg Programme 2007: 27)

*Democracy: goal
and principle of
action*

For a Europe of social democracy the following must therefore apply:

- The construction, structures and institutions of the European Union must correspond to democratic principles. The model is a political union that gives all European citizens rights of democratic codetermination.
- The legitimacy of the European Union's political power is conferred on it by the voters.
- Transparent European policy and the strengthening of a European public confer democratic control and participation on European processes and make them more easier to grasp. Europeanisation of national media and the development of European media, civil society organisations, social partners and also strong European political parties are crucial in this.
- Europe is not just a project of the political elites, but is carried forward by the majority of its population.

Prosperity

»Human beings«, according to the UN Covenants, must live »free from fear and want« (Preamble). Specifically, the goal is described as » steady economic, social and cultural development and full and productive employment«.

Freedom from want requires basic material security. A minimum level of prosperity must be ensured so that everyone can exercise their fundamental rights.

This concerns, on one hand, the individual prosperity of each and every person. On the other hand, it concerns overall social prosperity so that sufficient resources are available for the tasks democratically defined as public.

A certain level of prosperity is a crucial foundation for a free, just and solidarity-based society. High productivity and value creation create scope for social prosperity. Individual prosperity arises from appropriate distribution.

»[The SPD] is in favour, for urgent economic reasons, of creating economic unity in Europe, forming a united states of Europe in order thereby to achieve the solidarity of interests of the people of all continents.«
(Heidelberg Programme 1925, quoted in Dowe/Klotzbach 2004: 203)

Freedom from want

Further reading:
*Reader 2:
Economics and
Social Democracy
(2009), Section 4.3.*

Historically, it is clear that in periods of economic growth the distribution of Europe's social product is usually fairer than during economic downturns. Growth and prosperity are thus conducive to realising the values and goals of social democracy.

Looking at prosperity in relation to European integration another connection important to social democracy emerges: when the notion of European integration comes to be linked to gains in prosperity support for European integration among European citizens (see Noll/Scheuer 2006: 1–5; Eurobarometer 2008: 15).

Clearly, it is important when seeking to promote prosperity and growth that they are not blind to social, environmental or societal interests. In this sense it is a matter of qualitative growth.

For a Europe of social democracy the following must therefore apply:

- European integration must contribute to prosperity and growth.
- Prosperity and growth promote people's wellbeing and serve to foster a viable state, effective social systems to insure against life's contingencies, a high level of education and public services of general interest.
- Prosperity is achieved through qualitative growth.

»Europe has created the largest single market in the world and has even introduced a common currency. This has happened in the interest of Europe's citizens. Neither in Germany nor in Europe, however, will we accept that a market economy must lead us into a market society.«

(Hamburg Programme 2007: 28)

Social Equality

Anyone who takes social democratic basic values and fundamental rights seriously must strive for a European policy defined by social equality. This suggests not only the basic values of freedom, justice and solidarity, but also the fundamental rights laid down in the UN Covenants.

This demands, for example, an »adequate standard of living«, and also that »women [be] guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work«, that »adequate food, clothing and hous-

ing« be ensured, as well as a »right to education« and thus that the »full development of the human personality« be guaranteed.

Social democracy strives for a society with social citizenship, in which every individual is guaranteed a materially secure life in dignity in order to participate in social and democratic life regardless of their market success.

Social equality is important not only from a social democratic perspective, but also in terms of the theory of democracy: many studies show that people are sensitive to the connection between the ideas of democracy – in other words, political equality and equality in terms of civil rights and liberties – and material and social concerns.

This is confirmed by a study by the Friedrich-Ebert-Stiftung on democracy and trust in democracy (Embacher 2009). Asked about the most important elements of democracy 74 per cent of respondents said that »equality before the law« was »very important«. The second most important element of democracy was that »there should be fair play«: 67 per cent of respondents said that this is »very important« and 32 per cent regard it as »important«. The proposition that »all people have equal chances in life« is also considered a key characteristic of democracy.

Evidently, from the public's perspective there is a close connection between social and material issues and democracy. Without a minimum level of material equality democracy is not possible. If inequalities are too great democracy is jeopardised.

Furthermore, democracy and just distribution of goods and access are also procedurally linked. Only if social negotiations on distribution are conducted democratically can distribution be deemed to be fair.

With these two motivations – value orientation and democracy – social democrats have committed themselves to social equality in Europe.

Thus Willy Brandt, for example, demanded that the European Community (EC) not be only a »Europe for businesses« (Brandt, in SPD 1971: 14), but must also expand social integration: »The goal must be to make the European Community the most socially progressive space in the world« (Brandt, in SPD 1971: 14).

Social citizenship

*Connection:
social equality and
democracy*

Further reading:
*Serge Embacher
(2009), Demokratie
– Nein danke?,
Demokratieverdruss
in Deutschland,
FES (ed.), Bonn.*

*Brandt: not just
a »Europe for
businesses«*

For a Europe of social democracy the following must therefore apply:

- The European Union also promotes social equality across regional and national borders.
- Besides the economic and monetary union there is a European social union which is part of European integration on an equal footing.
- The European social union shall create binding common standards and regulations for the purpose of social equality, while respecting the different national traditions and systems.

»Only if the European Union is experienced by citizens in their daily lives not only as a free market economy subject to the cold wind of globalisation but also as a guarantee of social security will they develop a sense of European belonging.«
(Gesine Schwan 2010: 59)

Sustainability

At the European level sustainability encompasses an environmental, an economic and a social dimension.

First, environmental issues are usually linked to sustainability. In fact, the first reflections on sustainability concerned the environment. The term »sustainability« derives originally from forestry in the eighteenth century: forestry scientist Georg Ludwig Hartig demanded that only so much wood should be taken from a forest as can grow back.

Today environmental sustainability means that the environment must be kept as intact as possible as a key natural resource for coming generations. Resource preservation, climate protection, species conservation and limiting pollution are thus important aspects.

In 1983 the notion of sustainability was taken up by the Brundtland Commission (named after the former Norwegian prime minister) appointed by the UN. It asserted that »[h]umanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs.« (quoted in Hauff 1987: 46).⁸

⁸ Besides its environmental dimension the concept of »sustainability« also has economic and social dimensions. For more detail, see Section 4.3, »Economic-policy Principles«, in Reader 2 *Economics and Social Democracy*.

It is readily apparent that environmental issues require European cooperation. On one hand, pollutants, floods and climate change do not stop at national borders. Uniform standards at European level can prevent an environmental race to the bottom at nature's expense. Europe can be a model for other regions in this respect.

On the other hand, a modern energy policy, for example, can succeed only if every region makes use of its particular strengths and resources: Scandinavia, for example, can utilise energy from hydro-electric power stations, southern Europe solar energy and coastal states tidal and wind power stations.

For a Europe of social democracy the following must therefore apply:

- The European Union shall contribute to sustainable development in the social, economic and environmental dimensions.
- It shall protect natural resources within its borders and also strive to do so in its foreign relations.

»The challenges of environmental protection do not stop at national borders – thus climate change and its consequences can be combated only if we work towards the same goals.«

(PES 2009: 17)

2.5. Social Europe

Peace, democracy, prosperity, social equality and sustainability are thus the five European-policy principles of social democracy.

Peace and democracy as the foundation

From the perspective of social democracy peace and democracy form the basis of the European project. They constitute the condition for European development that alone can enable prosperity, social equality and sustainability.

Balance between prosperity, social equality and sustainability

Striving towards prosperity, social equality and sustainable development must be equitably balanced on a second level, however. Only if all three principles are on an equal footing can the European project succeed from a social democratic perspective.

The condition of peace and democracy is shared by other established political strands in Europe, but sometimes understood very differently and on other theoretical foundations. The aim of putting prosperity, social equality and sustainability on an equal footing is not shared by all. In contrast to social democrats, other political strands focus on only one of these three principles.

Thomas Meyer's *Theory of Social Democracy* distinguishes between two basic types of democracy: social democracy and libertarian democracy. An essential differentiating criterion here is the relationship between negative and positive civil rights and liberties.

Following on from this distinction two models of Europe can be distinguished, based on the five European-policy principles: a social Europe versus a libertarian Europe.

Social democracy and libertarian democracy are ideal-types in political theory. Just as there is no purely social Europe or libertarian Europe in practice, so there is no example of these forms of democracy in their pure state. It is useful, however, to compare the different models. This helps us to get clearer about one's own standpoint.

Further reading:
Reader 2: Economics and Social Democracy (2009), Section 3.2.

Two models of Europe: a social Europe versus a libertarian Europe

Both libertarian democracy and social democracy rest on the model of liberal democracy and thus have common roots:

- pluralistic democracy based on the rule of law;
- constitutional binding of political power;
- sovereignty of the people organised on the majority principle.

They differ first in terms of their relationship to positive and negative civil rights and liberties. Libertarian democracy takes the view that granting positive civil rights and liberties curtails negative civil rights and liberties and may ultimately even destroy them. Social democracy, by contrast, assumes that negative and positive civil rights and liberties have to be put on an equal footing if they are to apply to all both formally and in practice.

Differences: relationship between positive and negative civil rights and liberties

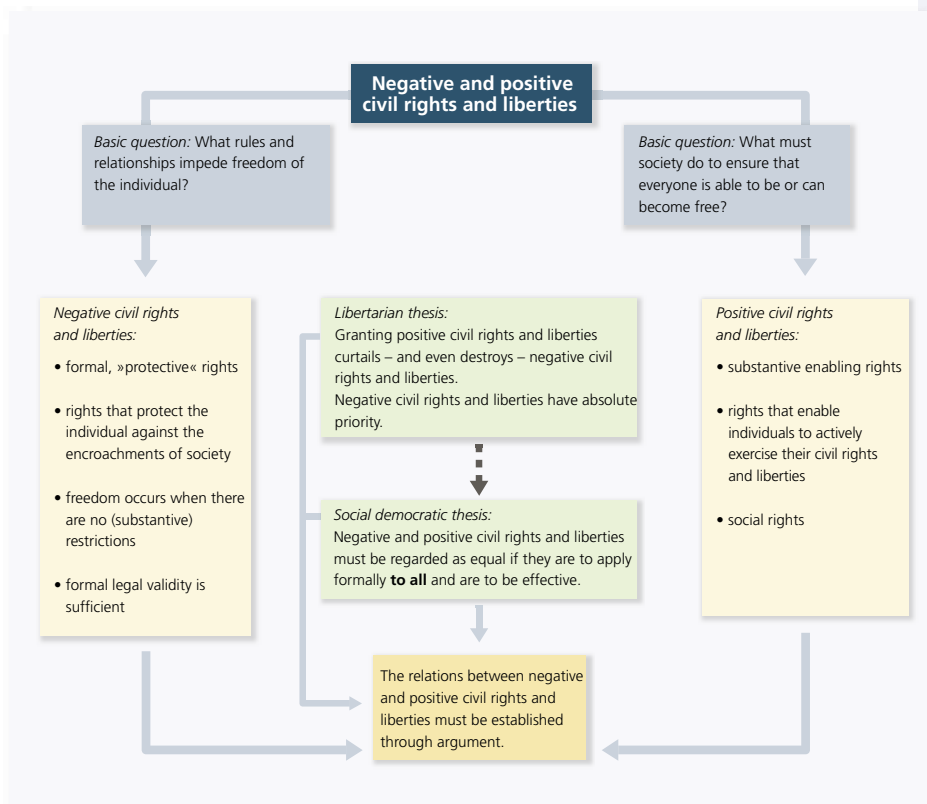


Figure 3: Negative and positive civil rights and liberties

Two examples illustrate why this is the case. From the libertarian perspective it is enough if the state does nothing to limit freedom of expression, for example, by censoring the press. From the social democratic standpoint, however, the state must take a decisive step further and actively promote real and equal opportunities for freedom of expression. This includes providing everyone with equal access to information and giving them an education so that they can form opinions in the first place.

Another important difference between social democracy and libertarian democracy in this context is their views on markets. Libertarian democracy understands markets as an expression of freedom and thus strives towards self-regulating markets.

Social democracy, by contrast, emphasises that uncontrolled markets can lead to unwanted outcomes for society as a whole. The financial market crisis of 2008 is a good example of this:

»In our understanding markets are a necessary form of economic coordination superior to other forms. However, a market left to itself is blind in social and environmental terms. It is not able by itself to provide public goods in sufficient quantity. In order to harness their positive effects markets need rules, a state able to apply sanctions, effective laws and fair prices.«
(Hamburg Programme 2007: 17)

If one transfers these considerations to the European level one can speak, by analogy, of a liberal Europe as a common basis and the twin poles of a social and a libertarian Europe.

A liberal Europe is distinguished, accordingly, by the acceptance and establishment of peace and democracy, with the following characteristics:

- peaceful internal and external relations;
- legal certainty;
- democratic elections;
- democratic structures and institutions.

Both representatives of a social Europe and those of a libertarian Europe would assent to these points. However, while a social Europe takes its bearings not

only from prosperity **but also** social equality **and** sustainability, advocates of a libertarian Europe confine themselves primarily to the one-sided promotion of prosperity in the sense of economic growth. This describes the poles of Europe's possible development in abstract terms.

»We stand at a crossroads: either we create a social Europe or the single-market Europe loses its cohesion. Here, too, the question is: freedom or submission? Either European are able to shape their living conditions together in the political arena, or Europe submits to anonymous market mechanisms and loses those people who cannot feel at home in Europe.«
(Gesine Schwan 2010: 59)

The success of a social Europe depends on how far it manages to complement so-called **negative integration** with **positive integration**. Negative and positive integration are two key technical terms in research on the development of the European Union.

Negative and positive integration

Negative integration refers to **market-creating** regulations. It goes hand in hand with the standardisation of different national regulations.⁹

Negative and positive integration	
Negative Integration	Market-creating regulations, for example, dismantling trade barriers
Positive Integration	Market-correcting regulations, for example, establishing new standards

In the wake of European integration negative-integration measures were adopted primarily in relation to the economic and monetary union.

The abolition of customs duties within Europe is a good example of negative integration. Positive integration concerns **market-correcting** regulations. As a rule, laying down new common standards goes hand in hand with positive integration.¹⁰

9 See Section 3.2.

10 See Section 3.3.

The Anti-discrimination directive – which in Germany was transposed as the General Equal Treatment Act – is one example of positive integration. It has brought about a new common minimum standard in all EU states on protecting people against discrimination.

*Imbalance between
negative and
positive integration*

The development of the European Union is characterised by an imbalance between negative and positive integration. With the launch of the idea of a common market the dismantling of trade barriers was paramount in the European Union.

Such measures were easier to impose among other reasons because in the different phases of the European treaties resolutions on economic policy were always subject to simpler procedures and majorities were easier to form.

Negative integration was driven forward not least because of the competences conferred on the European Commission in this area and the rulings of the European Court.

Areas of policy of more significance for realising social democracy, by contrast – including economic governance, social policy, labour market policy, environmental policy, education policy or industrial relations – were subject to the principle of unanimity.

A libertarian Europe

Summing up, a libertarian Europe emerges, with the following characteristics:

- priority of economic progress over social and environmental progress;
- priority of negative over positive integration;
- priority of market freedoms (goods, people, services and capital) over social fundamental rights.

A social Europe

A social Europe, by contrast, is characterised by the following:

- putting the principles of prosperity, social equality and sustainability on an equal footing within the framework of peace and democracy;
- putting negative and positive integration on an equal footing and concomitantly;
- equal treatment of social fundamental rights and economic basic freedoms under European law;
- commitment of the EU institutions to social progress, for example, in the form of a social impact assessment.

A social Europe would in particular mitigate inequality of resources, also between the social partners, in other words, employers and employees. Trade unions' right to strike, freedom of association and free collective bargaining, but also the rights of nation-states – for example, to enact laws that restrict public contracts to firms that pay union wages – would be granted to their full extent.

What, Then, Are the Chances of a Social Europe?

The hope long existed that economic integration would, over the long term, lead automatically to political integration. Transferring social-policy competence to the European level would be the next logical step in this regard.

Due to fundamentally different conceptions in this area, however, progress has been much more difficult to achieve.

This results, on one hand, from the different party-political majorities in the member states. In periods of overwhelmingly conservative European governments negative integration has come to the fore. However, this has not been balanced during periods of majority social-democratic government in individual countries (see Manow et al. 2004).

National peculiarities also play a role. For example, France, Germany and the United Kingdom have very different attitudes to the welfare state and European enlargement to encompass countries in southern and then central and eastern Europe widened the spectrum even further (see Chapter 6).

Apart from such excessively optimistic and pessimistic views on the European Union the current academic debate on the future of Social Europe is characterised, generally speaking, by three different approaches (see Meyer 2005: 373):

- the pessimistic perspective;
- an optimistic view;
- a moderately optimistic outlook.

The pessimistic perspective defends the argument that a social Europe is not possible institutionally, not to mention politically undesirable. Ultimately, therefore, it is unlikely. Its representatives base their argument historically on the Union's origins as a common market and the widely different social-policy systems and economic resources of the EU member states.

Further reading:

Erhard Eppler (2010), Epochenwende, Über die Notwendigkeit des Aufbaus einer sozialen Demokratie in Europe, FES (ed.), IPA, Berlin.

Ernst Hillebrand und Anna Maria Kellner (eds) (2014), Für ein anderes Europa. Beiträge zu einer notwendigen Debatte, Verlag J.H.W. Dietz Nachf., Bonn.

Three strands of thought

The pessimists

The optimists

The optimistic view assumes that substantial pressure for measures of positive integration will emerge from the problems of negative integration. Gradually, social-policy competences would be transferred to the European level, without being subject to fundamental limits. A social Europe would thus develop in a multi-level system with interaction between nation-states and the EU level.

The moderately optimistic

The moderately optimistic outlook, finally, is based on the notion that positive integration is possible in principle only up to a point. However, this point is far from being reached and the remaining scope will ultimately be determined by the positive outlook.

Development is open

The development of the European Union thus remains open. As we have seen, there is considerable scope for realising social democracy with, in and through Europe. In any case, Eurobarometer surveys confirm that »Europeans tend to favour a ›social‹ rather than a ›liberal‹ approach to solving social and economic problems« (Eurobarometer 2010b: 99). Following-up and shaping the European project involves further integration within the framework of basic values, fundamental rights and the European-policy principles of social democracy.

»If Europe is to get more social democracy we have to build a viable European social democracy.«

(Erhard Eppler 2010: 10)

For discussion: More or less Europe?

A controversy between the philosopher Jürgen Habermas and the sociologist Wolfgang Streeck has become known as the **Habermas-Streeck debat**. In 2013 the two scholars published fundamental – and in their message fundamentally different – articles in the periodical *Blätter für deutsche und internationale Politik* on the future of the European Union.

It is interesting that Habermas and Streeck share important views on the European Union. For example, both criticise the state of EU democracy and the current economic policy orientation. They also share the goal of social democracy, in a broad sense. Their conclusions are very different, however.

Streeck deduces from his analysis that there should be fewer European and more national competences. He recommends, among other things, withdrawal from the euro. Habermas describes that as the »nostalgic option«. Particular nation-states are even more starkly exposed to the pressures of globalised markets than the EU. He puts his hopes in institutional reforms of the EU, a deepening of cooperation and, among other things, a stronger European Parliament. Habermas sees Europe's social democratic parties as having a particular responsibility to broach these reforms.

Many elements of the Habermas-Streeck debate have been taken up by advocates of social democracy. Thomas Meyer, for example, comes down firmly on Jürgen Habermas's side in *Neue Gesellschaft/Frankfurter Hefte*. He calls for »the proactive expansion of the EU to become a democratic economic, currency and social union«.

What is your conclusion?

The sources of the debate:

Wolfgang Streeck (2013a), *Was nun, Europa? Kapitalismus ohne Demokratie oder Demokratie ohne Kapitalismus*, in: *Blätter für deutsche und internationale Politik*, No. 4/2013, Berlin, pp. 57–68.

Jürgen Habermas (2013), *Demokratie oder Kapitalismus? Vom Elend der nationalstaatlichen Fragmentierung in einer kapitalistisch integrierten Weltgesellschaft*, in: *Blätter für deutsche und internationale Politik*, No. 5/2013, Berlin, pp. 59–70.

Wolfgang Streeck (2013b), *Vom DM-Nationalismus zum Euro-Patriotismus? Eine Replik auf Jürgen Habermas*, in: *Blätter für deutsche und internationale Politik*, No. 9/2013, Berlin, pp. 75–92.

Further reading:

Thomas Meyer (2013), *Die Habermas-Streeck-Kontroverse. Zwischenruf*, in: *Neue Gesellschaft/Frankfurter Hefte*, 7–8/2013, Berlin, pp. 17–20.

Hans-Wolfgang Platzer (2014), *Rolling Back or Expanding European Integration?*, FES (ed.), IPA, Berlin.

3. EUROPE TODAY: HOW IT BECAME INTO BEING: WHAT IT IS

In this chapter:

- important milestones in the history of the European integration project are presented;
- the dynamic of the integration project are outlined;
- the constant struggle between transnational efforts and retaining national powers is elucidated;
- how the EU works in important areas is shown; and
- the current problems and shortcomings of the EU in these areas are discussed from a social democratic perspective.

Europe is a complex entity that has taken shape over half a century.

Many peculiarities in the European construction can be explained only in the context of their emergence. On this basis we shall present a brief overview of the most important stages in the European integration process.

The History of Europe: A Brief Look Back

»We are not making a coalition of states, but are uniting people.« (Jean Monnet)

With these words Jean Monnet, one of the founding fathers of European integration, outlined a vision of an integrated Europe. By reconciling states that previously were at daggers drawn the basis for lasting peace in Europe was to be laid after the horrors of two world wars. European integration was thus above all else a peace project.

The foundation stone for ensuring peace in Europe was laid with the Treaty of Paris establishing the Coal and Steel Community (ECSC) in 1951. The six founding states – Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands – agreed

Jean Monnet (1888–1979) was a French politician, one of the founders of the ECSC and first president of the so-called High Authority (1952–1954). Together with Robert Schuman (see p. 143) he was one of the »founding fathers« of European integration.

Further reading:

Gerhard Brunn (2008),
*Kleine Geschichte der
Europäischen Union.
Von der Europeidee
bis zur Gegenwart,*
Münster.

that the two sectors of coal and steel, which are crucial to any war effort, should in future be managed in common.

This cooperation was unusual in that the creation of the so-called High Authority involved the establishment of a new superordinate authority with legally binding competences in relation to the six states. Thus the six countries voluntarily gave up rights of national sovereignty to a new level.

With the Coal and Steel Community not only was the foundation stone laid for ensuring peace in Europe but important conditions were created for the later economic community (EEC) and the common European market.

In the Treaty of Rome in 1957 the six states agreed on four basic principles for the common market. Accordingly, within the common market:

- goods;
- people;
- capital; and
- services

could move without hindrance.¹¹

Defining these four freedoms had far-reaching consequences. This was because a customs union was needed to realise them. This meant the gradual dismantling of trade barriers between the states, the establishment of external tariffs and the development of a common trade policy. As a consequence, the European integration process developed its own dynamic.

This dynamic was influenced by three factors. The integration process was driven, first, by so-called spillover effects and second by the initiative of bodies newly created within the framework of integration. The integration was hindered by the attempts by nation-states to recover or retain influence.

¹¹ See Section 3.2.

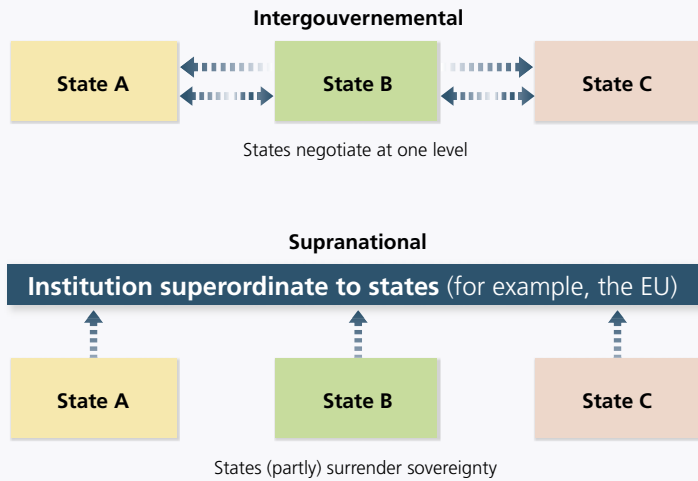


Figure 4: Comparison of the concepts of »intergovernmental« and »supranational«

Spillover effects

Spillover occurs when supranationalisation in one policy area leads to a tendency to Communitisation in other areas. Thus, for example, the basic principle of free movement of capital encouraged led the development of a common monetary policy and ultimately led to the introduction of the euro.

A prime example of the wrangling of nation-states to retain national sovereignty is the Luxembourg Compromise:

Further reading:

*Martin Große
Hüttmann and
Hans-Georg
Wehling (2013),
Das Europalexikon:
Begriffe. Namen.
Institutionen, Bonn.*

The **Luxembourg Compromise** was a declaration by the six EEC states in 1966 that ended the crisis of the »empty chair policy«. France, in protest against the introduction of majority decision-making, no longer took part in meetings of the EEC Council of Ministers from mid-1965, leaving it without a quorum. In the Luxembourg Compromise the member states agreed to endeavour to achieve a consensus-based solution in the Council of Ministers when key interests of member states were affected. France thus returned to the negotiating table. Some member states did subsequently invoke the Luxembourg Compromise but in recent years it has fallen into abeyance. (*Europalexikon* 2013: 265, slightly modified)

*The significance of
the newly created
bodies*

An example of the significance of the newly created bodies, especially the European Court of Justice and the European Commission, is the famous decision in Costa/ENEL 1964.

In a dispute about the nationalisation of Italian electricity companies the European Court of Justice established the precedence of European law over national law.

The deepening of European integration has been accompanied by enlargement.

Since 1973, the year of its first enlargement, the European Community has been enlarged to 28 states by 2013. It remains to be seen how many states will join in future. The most prominent, but also the most controversial applicant at present is Turkey.¹²

*EU enlargement:
from 6 to 28*

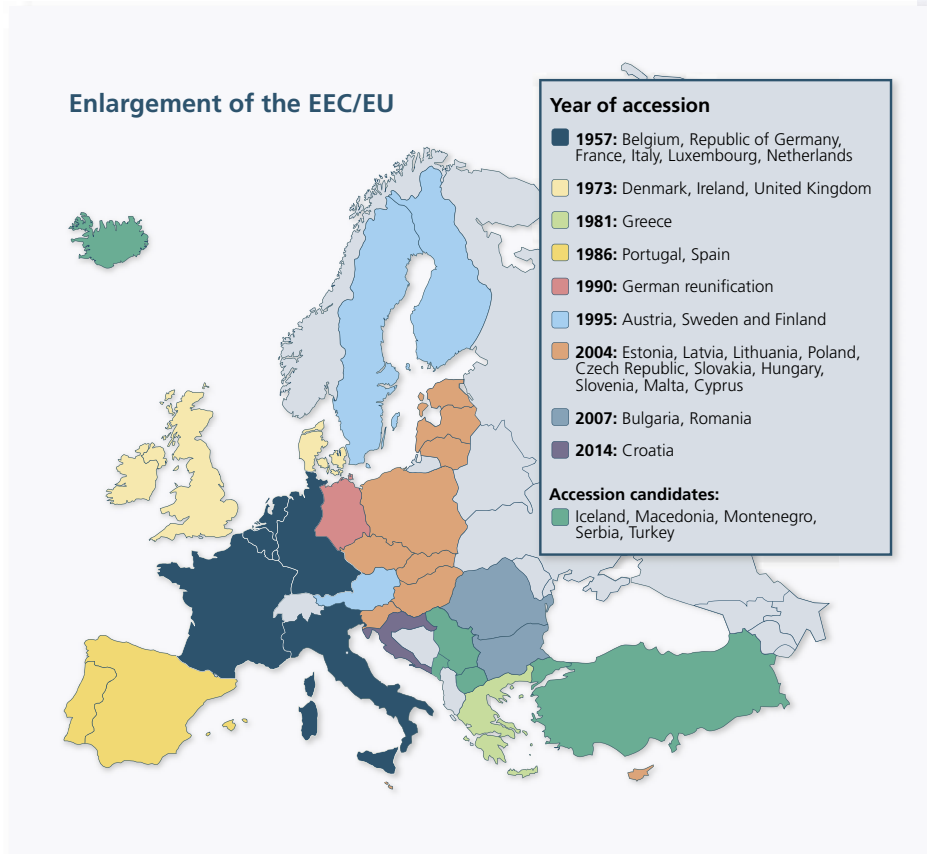


Figure 5: Overview of the enlargement of the EEC/EU

12 See Section 4.5.

1970s:

»Euro-sclerosis«

In the 1970s and the beginning of the 1980s the integration process was largely at a standstill. The return to seeking national solutions to the economic crisis of the 1970s on the part of the member states made this inevitable. These years of stalled progress on integration are often characterised in terms of »Euro-sclerosis«.

However, there were also significant changes during this period. This includes the introduction of direct elections to the European Parliament in 1979 and the expansion of cooperation to other areas (for example, foreign and environmental policy).

1986: *Single European Act*

New impetus was given by the adoption of the Single European Act (SEA) in 1986. The SEA smoothed the way for both later political integration and for the economic and monetary union.

Single European Act (1986)

- First steps towards the creation of a single market
- Strengthening of the role of the European Parliament
- Extension of majority decision-making in the Council
- Expansion of cooperation to other policy areas

Maastricht 1992 and Amsterdam 1997

The two Treaty revisions that ensued shortly thereafter – Maastricht (1992) and Amsterdam (1997) – were, on one hand, a consequence of the simplification of the integration dynamic due to the SEA. On the other hand, they were an expression of the increased difficulty of reaching a consensus among the 12 and then 15 member states.

Maastricht Treaty (1992)

- Founding of the European Union, agreement on economic and monetary union
- Introduction of EU citizenship
- Protocol on social policy
- Further strengthening of the Parliament

The decisive step towards political union was taken with the Maastricht Treaty (1992), by which the European Union was created as superordinate body for the European Communities, common foreign and security policy (CFSP) and common home affairs and justice policy.

More and more policy areas were included in the integration process and majority decision-making increasingly came into play. Against this background different ideas on the future organisation of the EU began to become apparent between the different countries.

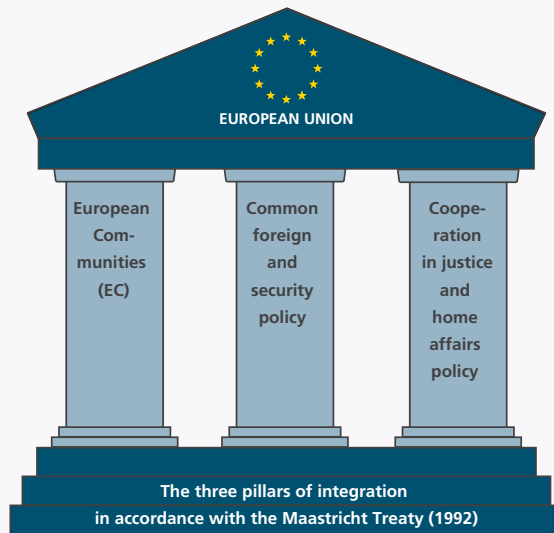


Figure 7: Construction of the European Union

Amsterdam Treaty (1997)

- Deepening and extension of common home affairs and justice policy
- Significant extension of possibilities for parliamentary participation
- Possibility of majority decision-making in CFSP, but also a national right of veto
- No agreement on institutional reform in preparation for eastern enlargement

At the same time, the heads of state and government were aware that Treaty revisions thus far (Maastricht in 1992, Amsterdam 1997 and Nice 2000) were not sufficient to ensure the viability of the EU over the long term; especially on the accession of ten new member states in 2004.

In order to strengthen popular support for the European integration project the heads of state and government agreed at the Laeken summit (2001) to set up a European convention. It was supposed to work out a kind of European constitution as a new contractual foundation for the EU by 2004. The convention was composed of government and parliamentary representatives from the member states, the central and eastern European accession countries and representatives of the European Parliament and the European Commission.

*Laeken 2001:
The constitutional
convention is
convened*

The further development of the EU was to be shaped democratically and transparently in the form of a convention. To this end, on one hand, European and national elected representatives were involved and, on the other hand, a multitude of public debating forums were used.

The outcome of the work of the Convention was the Treaty establishing a constitution for Europe (TCE). It contained important elements of a European constitution. In contrast to other European treaties it thus had to be put to a referendum in a number of member states. Some countries also exercised this option voluntarily. Although 18 states had ratified the treaty, it finally ran aground in 2005 on two negative referendums in France and the Netherlands.

A new and laborious attempt at EU reform took the form of the Lisbon Treaty (also known as the Reform Treaty). Since 1 December 2009 it represents the new statutory basis of the European Union.

Important changes due to the Lisbon Treaty (in force since 1 December 2009):

- Strengthening of democracy and protection of fundamental rights (upgrading of the European Parliament and strengthening of the participation rights of national parliaments, possibility of European citizens' initiatives, rendering the European Charter of Fundamental Rights legally binding)
- Supersession of the three-pillar construction of Maastricht: the EU acquires a single legal personality
- Deliberations on draft laws in the Council must henceforth be public
- Introduction of so-called double majority voting in Council of Ministers decision-making from 2014 (majority of states together with a majority of the EU population)
- Creation of the office of EU Council president of the Council of Ministers
- Establishment of a European diplomatic service (European External Action Service, EEAS)

Figure 6: European treaties over the years

Signed	1948	1951	1954	1957	1965	1986
In force	1948	1952	1955	1958	1967	1987
Treaty	Brussels Treaty	Paris (ECSC)	Paris Agreements	Treaties of Rome	Merger Treaty	Single European Act
					European Communities	
					European Atomic Energy Community (EURATOM)	
					European Coal and Steel Community (ECSC)	
					European Economic Community (EEC)	
						European Political Cooperation (EPC)
	Military alliance		Western European Union (WEU)			

Europe as a Project

This brief look at important stages of development in the European integration process makes clear that this Europe remains a historically unprecedented project, a project (from the Latin »projectum«, meaning »thrown forwards«) that developed and continues to develop a political mandate for the future from the history of a continent. The strong momentum that Europe has thus taken on far surpasses all traditional forms of international cooperation. Europe's distinctiveness or uniqueness rests especially on:

- the characteristic interconnection and coexistence of traditional forms of interstate cooperation and supranational policymaking (see Tömmel 2008)
- the rapid expansion of cooperation from, first, one sector to almost all policy areas and thus accompanied by a topical expansion of the aims of European integration
- an enormous geographical expanse
- its open and flexible development, which does not occur in a linear or unmitigatedly goal-oriented fashion

A project needs supporters. It needs ideas for further development and improvement. Thus it first needs to take an inventory.

In Chapter 2 five principles of social democratic European policy were developed. These five principles – democracy, prosperity, social equality, sustainability and peace – should serve as the benchmark for the following inventory and the reform proposals discussed later.



3.1. Democracy: Institutional Construction of the EU

*Chorus of criticism
of the EU...*

The success and uniqueness of the European peace project are undisputed, nevertheless criticisms are often voiced in both the media and opinion polls: the EU is supposedly too bureaucratic, too undemocratic, too liberal, too powerful or too weak.

*... partly a result of
its success?*

The chorus of criticisms of Europe can, on one hand, be considered to be due to the success of the integration process. Thus peace in Europe, for example, has become taken for granted. Accordingly, such criticism can be interpreted as the expression of increased expectations of the EU.

»But if I say to my daughter: »we need Europe so that there is no war« she will look at me and will probably be saying »I wasn't intending to invade France«. The cause of peace no longer has any emotional resonance for the younger generation in Europe. This is because, thank God, they are certain that this peace is not under threat.«

(Sigmar Gabriel 2010)

On the other hand, the scolding of Europe appears to refer to genuine grievances and shortcomings in the European integration process.

*Alienation of its
citizens from
the EU?*

It is amazing that, despite its increasing political significance and improved democratic structures the European Union appears to enjoy less support today than at the beginning of the integration process.

What can the reasons be for the distance that has opened up between the EU and its citizens? One factor could be the EU's complexity, another its high rate of change.

As we saw in the previous chapter the rapid succession of treaties in the past 20 years has also meant changes in the institutional framework and decision-making procedures of the EU. This makes it more difficult to get to grips with the issue of Europe.

What about the reproach of a lack of transparency and poor quality democracy? Let us look first at the European institutions and processes so that we can examine this reproach in more detail.

First, in contrast to national political systems power in the EU is distributed fairly unusually between individual institutions (see Tömmel 2008). A comparison with familiar national political institutions thus heavily simplifies the actual circumstances but can help us to improve our understanding.

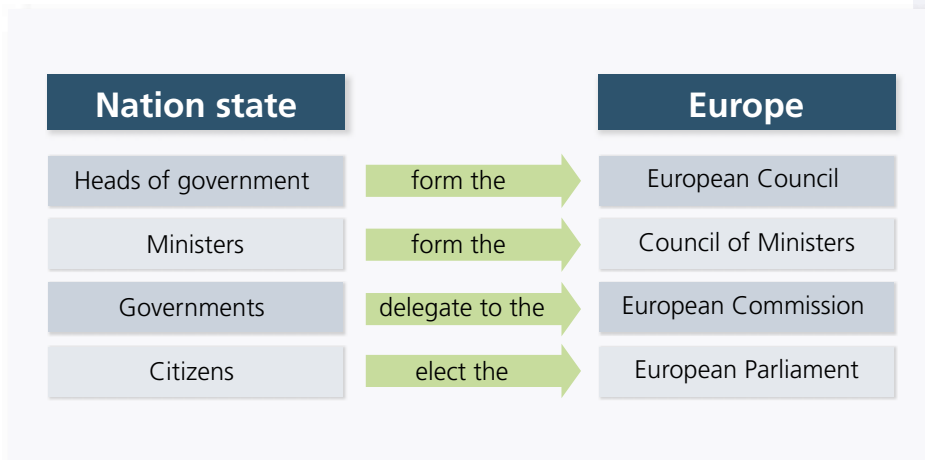


Figure 8: Connections between national and European institutions

The five institutions that play a decisive role in policymaking in the EU are:

- **European Council**
- **Council of the European Union** (also known as the **Council of Ministers**)
- **European Commission**
- **European Parliament**
- **European Court of Justice**

There are seven European Union institutions altogether. While the European Court of Auditors plays a subordinate role in the political decision-making process, the importance of the European Central Bank has increased in recent years within the framework of efforts to cope with the crisis in the euro zone.

The **European Council** is probably the best-known institution at the European level. It is made up of the heads of state and government of the member states, the President of the Commission and the President of the European Council.

The office of President of the European Council was introduced only with the Lisbon Treaty. The President is elected by the European Council by qualified

majority for a term of two and a half years and can be re-elected once. His or her tasks include presiding over the work of the European Council, taking the initiative and helping to build the necessary consensus with the European Council. The Belgian Herman Van Rompuy was elected first full President of the European Council in 2009.

The summit meetings of the European Council, which since the Lisbon Treaty have to take place at least twice every six months, are the subject of considerable media attention. It does not participate directly in policymaking but has a superordinate function. The Treaty on European Union (EU Treaty) states:

»The European Council shall provide the Union with the necessary impetus for its development and shall define the general political directions and priorities thereof. It shall not exercise legislative functions.«

(Art. 15, EU Treaty)

The task of the European Council is thus to establish the guidelines for common European policy and in the case of difficult issues concerning the fundamental development of the Union to negotiate compromises between the member states. The European Council makes decisions on, for example, treaty changes or the accession of new states.

In respect of its task of setting out the guidelines of European policy the European Council resembles the competence of the German chancellor to direct policy. But while the chancellor is dependent on the confidence of the Bundestag, the European Council is entirely independent of the other EU institutions.

The policy implementation of the guidelines laid down by the European Council and thus the actual decision-making process takes place in interaction between the Council of Ministers, the European Commission and the European Parliament.

The **Council of Ministers** (also known as the **Council of the European Union**) is made up of the relevant national ministers. Although it counts as a single institution, in fact it comprises a multitude of councils or various council formations. This is because the relevant national ministers convene depending on the subject area. In the »environment« of the Council, for example, the environmental ministers of all EU member states convene to consult on environmental issues.

The Council of Ministers is responsible for the concrete implementation of the guidelines laid down by the European Council. To that end it has both legislative and executive functions and has to cooperate closely with the other institutions (Commission and Parliament).

The theory of the separation of powers of Charles de Montesquieu (1689–1755) distinguishes between three authorities of the state: **legislative, executive** and **judicial**. The legislative branch is principally responsible for deliberations on and adoption of laws. The executive branch is responsible primarily for executing laws. The judicial branch, within the framework of its jurisdiction, supervises compliance with the law and statutes.

The Council of Ministers is a central decision-making and regulatory institution of the EU. However, the European Parliament has gradually been able to expand its rights of participation in the legislative process and with the Lisbon Treaty finally became a legislative body almost on an equal footing

(see below). Only in some policy areas, such as tax policy, can the Council still make decisions alone.

Within the architecture of the EU as a whole the Council of Ministers represents the member states. Since the coming into force of the Lisbon Treaty the Council of Ministers takes decisions by qualified majority. Only in certain exceptional instances do decisions have to be unanimous.

From 1 November 2014 a so-called double majority will be necessary for a qualified majority: at least 55 per cent of the EU member states (that is, at least 15 out of the 28) with at least 65 per cent of the total population of the EU. This means that generally binding decisions can also be taken against the will of individual states. This part of Council decision-making thus no longer corresponds to the traditional idea of negotiations between states, but has a supranational character. What is different about the Council of the European Union (Council of Ministers) thus lies in this dual role. On one hand, it represents the interests of nation-states and on the other hand it functions as a supranational decision-making and intermediary institution in the structure of the EU as a whole.

*Representation of
the member states*

	EUROPE				GERMANY		
	European Parliament	Council of Ministers	European Court of Justice	Commission	Government*	Parliament	Federal Constitutional Court
Legislative function	X	X		X		X	
Executive function		X		X	X		
Judicial function			X				X

* The governments of Germany's federal states also participate in legislation through the Bundesrat.

Figure 9: Separation and limitation of powers in the EU and Germany

Comparisons
are difficult

A comparison with German political institutions is difficult here because the Council of the European Union exercises both executive and legislative functions. To that extent it has similarities with the German government (executive) in that it is responsible for implementing legal acts. However, because it also adopts laws it also has legislative tasks that in Germany only the Bundestag and, with limitations, the Bundesrat have.

The Council of Ministers can best be compared with the Bundesrat because in the German bicameral system it represents the federal states. The first chamber (in Germany the Bundestag) corresponds at European level to the European Parliament. The fact that decisions in the European Council can in principle be taken by qualified majority facilitates progress with European integration. From the standpoint of democracy theory, however, it can also be criticised for the fact that in some circumstances citizens have to put up with decisions made by the governments of other countries in whose composition they had no say. This is problematic in particular when decisions are taken by majority voting in the Council that come into effect without the consent of the European Parliament,

although this seldom occurs. The democratic legitimacy of the Council of the European Union is thus indirect and, to some extent, patchy.

Up to the Lisbon Treaty it was also not possible for citizens to see how their ministers voted in decision-making in the Council. Thus responsibility for unpopular decisions could be shifted onto others, generally referred to as »Brussels«, without the possibility of checking the real state of affairs. Hopefully, this common practice – to date – of shifting blame will be limited now that Council voting has been made public and the role of the European Parliament is more prominent.

»Europe can fail, however, if those who should know better malign and slander the EU. ... That's how the blame-game works: anything good comes from national governments, everything bad comes from Brussels.«

(Martin Schulz 2013a)

The lack of a European public is a key problem. Citizens are dependent on a democratic public for participation in and control over the political decision-making process, although this remains weak at the European level.

For Discussion

A political public is decisive for citizens' democratic participation and public control of policy. Consider how such a democratic public in Europe might look. And how could a European public or the Europeanisation of national publics be achieved?

Task: If you were the editor-in-chief of a newspaper »European News«, what sections would your publication include?

The Council of Ministers generally requires a legislative initiative from the European Commission in order to make decisions. This is because, in contrast with the Bundestag or the Bundesrat, the Council of Ministers does not have the right to initiate legislation. At this European level in principle only the **European Commission** has this.

Both the European Parliament and the Council of Ministers can call on the European Commission to introduce a legislative initiative in a particular area. It is up to the Commission whether it responds to the request.

Further reading:

Ansgar Klein et al.
(eds) (2003),
*Bürgerschaft,
Öffentlichkeit and
Demokratie in
Europe*, Opladen.

Since the Lisbon Treaty the European Commission can also be obliged by a European citizens' initiative to submit a legislative proposal on a given issue. For this purpose EU citizens have to collect at least one million valid signatures in a quarter of all EU member states within the space of one year.

Wilhelm Haferkamp (1923–1995) was a German trade unionist and SPD politician. He was, among other things, national chairman of the DGB and up to 1967 senior head of department for economic policy of the DGB executive committee. In 1967 Haferkamp was the first trade unionist to become a member of the European Commission (until 1985). In his time he was Commissioner for Energy Policy, for Economic Affairs, Finance and the Budget and for Foreign Relations and from 1970 also Vice-President of the Commission.

The right of initiative gives the European Commission an instrument of policy governance with which it can advance the integration process as it sees fit. On this basis it is often described as the motor of integration.

Besides its exclusive right of initiative in all legislative procedures it also has executive tasks, at least in the policy areas that have been communitised. Thus it controls, for example, the implementation and transposition of European legal acts or monitors compliance with the treaties, hence its nickname of »guardian of the treaties«.

The Commission also has representative functions, for example, if it represents the European Union on the bodies of international organisations (for example, the World Trade Organisation, WTO) or concludes trade agreements with third states. In some policy areas, in contrast, it has only an organisational/coordinating role.

At present the European Commission has 28 members, a president and 27 commissioners (each member state has one commissioner), who are proposed by national governments. In the Lisbon Treaty (Art. 17(5) TEU) it was foreseen that from 1 November 2014 the Commission would comprise a number of members that, including its President and the High Representative of the Union for Foreign Affairs and Security Policy, would correspond to two-thirds of the number of member states. The members of the Commission would then be selected in a system of strict rotation on an equal footing. According to a decision taken by the EU heads of state and government in May 2013 this diminution has been postponed indefinitely.

Internally, the European Commission functions in accordance with the principle of collegiate responsibility, which means that all resolutions are made jointly. Within the framework of the European institutions their role is characterised by both power and dependence on the Council of Ministers and the European Parliament.

*Principle of
collegiate
responsibility*

On one hand, it is a supranational authority not dependent on the member states or controlled by the European Parliament. Furthermore, within the framework of its legislative and executive functions from time to time it can have a far-reaching policy impact.

The knowledge enjoyed by the European Commission, with its extensive network of committees, gives it an enormous edge when it comes to the functioning of the EU system. This enables it to play an integrative role. Often already in the run-up to legislative initiatives it involves the various interests (for example, through consultations) and underpins its plans by means of technical expertise (see Tömmel 2008).

*The Commission's
edge when it comes
to knowledge*

On the other hand, the Commission now needs the decision-making of the Council of Ministers and the European Parliament. The Commission is also dependent on the governments and administrations of the member states for the development and implementation of European regulations and directives.

Created as an executive organ the Commission can best be compared with the federal government in Germany.

However, the Commission has only indirect democratic legitimacy because its members are nominated by the governments of the member states and have to be confirmed by the European Parliament. In 2014 the European Parliament will for the first time elect the Commission President, at the proposal of the Council, taking into consideration the results of the European elections.

European Parliament

The European Parliament (EP) is composed of European political groups arising from elections organised at national level. The number of EP representatives elected at national level is determined in proportion to a given country's population. The smaller countries have an advantage in this respect because if exact

*The European
Parliament*

proportionality were applied the total number of EP representatives would be much too high. The Lisbon Treaty provides for 751 members of the European Parliament from 2014.

Distribution of seats by country (as of 2014)

	As of January 2014	After EP-elections in 2014		As of January 2014	After EP-elections in 2014
Austria	19	18	Latvia	9	8
Belgium	22	21	Lithuania	12	11
Bulgaria	18	17	Luxembourg	6	
Czech Republik	22	21	Malta	6	
Denmark	13		Netherlands	26	
Estonia	6		Poland	51	
Finland	13		Portugal	22	21
France	74		Romania	33	32
Germany	99	96	Sweden	20	
Greece	22	21	Slovakia	13	
Hungary	22	21	Slovenia	8	
Ireland	12	11	Spain	54	
Italy	73		UK	73	
Kroatia	12	11	Cyprus	6	
			TOTAL	766	751

Within the European Parliament the elected MEPs from the various member states combine into groups on the basis of similar political convictions. The formation of a group requires at least 25 MEPs from at least one quarter of the EU member states. A group is therefore transnational.

A group is thus formed from MEPs from different countries. As a result, EP groups are much more heterogeneous in terms of political convictions than, for example, national parliamentary groups. Thus, for example, in the »Progressive Alli-

Katharina Focke (*1922 in Bonn) is a German politician and long-time member of the SPD. From 1972 to 1976 she was Federal Minister for Youth, Family and Health.

In 1979 she was a candidate in the first direct elections to the European Parliament, where she remained until 1989. Her political priorities included working towards European integration and improving North-South relations. To the general public she was thus also known as »Miss Europe«.

ance of Socialists and Democrats« French Socialists find themselves alongside British Labour politicians and German Social Democrats.

Despite the different national backgrounds, however, MEPs are clearly able to cast their votes independently of national interests and in accordance with the positions of the relevant parliamentary group (Noury 2002).

Distribution of seats in the EP legislative period 2009–2014

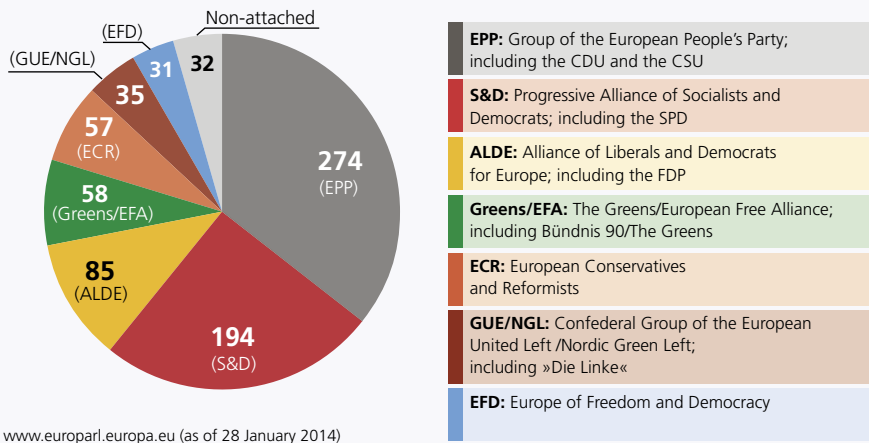


Figure 10: Distribution of seats in the European Parliament

The European Parliament is the only institution of the European Union that is directly elected by EU citizens. It can best be compared with the German Bundestag – at least with regard to its role as »citizens' chamber« – in contrast with the chamber of the states, the Council of Ministers (Council of the European Union). However, the position of the European Parliament within the institutional framework of the EU does not correspond to the powerful position of the German Bundestag in the German political system.

The European Parliament long had only an advisory function. Only with the Treaty revisions since Maastricht (1992) has it been able gradually to extend its competences in EU legislation.

The only directly elected European institution

With the Lisbon Treaty the legislative competence of the European Parliament was expanded, so that now it participates in the adoption of almost all EU laws and decides when they come into force. The so-called co-decision procedure was elevated to become an ordinary legislative procedure by the Lisbon Treaty and now applies in more than 40 additional areas (for example, energy policy and immigration issues). This means that the European Parliament can now make decisions on legislative proposals from the European Commission in most policy fields on an equal footing with the Council of Ministers.

In order to be able to assert itself in legislative procedures in relation to the Council the European Parliament has to achieve a simple or absolute majority. In practice this means that the two major political groups often vote or have to vote together.

The European Parliament makes no distinction between government and opposition. Ultimately, the Parliament does not constitute a European government.

From a democratic standpoint it is a problem that the European parties have little profile among the citizens. One reason for this is that elections are held nationally and citizens elect representatives of their national political parties. It is thus scarcely apparent that European groups are actually elected.

Besides its legislative function the European Parliament also has an important control function in relation to other EU institutions, in particular the European Commission. Thus the European Parliament can put questions to the Commission and the EU Council, set up committees of inquiry or even force the whole Commission to resign by a vote of no-confidence.

Furthermore, the European Parliament has the important task of adopting the EU budget on an equal footing with the Council of Ministers and controlling how budget resources are disbursed.

European Court of Justice

Finally, there is the **European Court of Justice (ECJ)**. It does not participate directly in the European legislative process. However, it plays a key role in the process of integration.

The Court of Justice of the EU was established on the model of the German Constitutional Court as an independent body detached from national interests. It is thus, alongside the Commission, the second supranational institution in the European political system.

As the EU's independent judicial body the ECJ oversees the legality of the Union's actions and ensures the uniform interpretation and implementation of Union law. However, it cannot be active in its own right, but has to be requested to do so by a lawsuit or request.

The role of the ECJ in the integration process is not limited to its legal supervision. It has influenced and driven integration again and again.

One example of this was the implementation of the principle of direct effect of EU law. This means that European law applies to every citizen without the interposition of the member states and that Community law¹³ takes precedence over national law.

With the principle of mutual recognition of national standards the ECJ created a decisive condition of the single market project. However, its interpretation of the European treaties in recent years has also promoted the economic-liberal orientation of the integration process.

With the Lisbon Treaty the EU's Charter of Fundamental Rights became legally binding for the EU. This means that now the ECJ can now invoke the Charter with greater force and the significance of the fundamental rights in the integration process is enhanced.

The ECJ has contributed decisively to the supranationalisation of the integration process. The important role of the ECJ is not without problems from the standpoint of democracy theory.

On one hand, supranational jurisdiction conflicts over competence with the highest national courts. Pointing in the same direction is the reproach issued by national politicians and judges that the ECJ practices »government by judges« and thus exceeds its authority (Schmidt/Schünemann 2009: 119).

¹³ Today we would talk about »Union law« because the European Union (EU) is the legal successor of the European Communities (EC).

Institutions of the European Union

Selected institutions and their legitimation

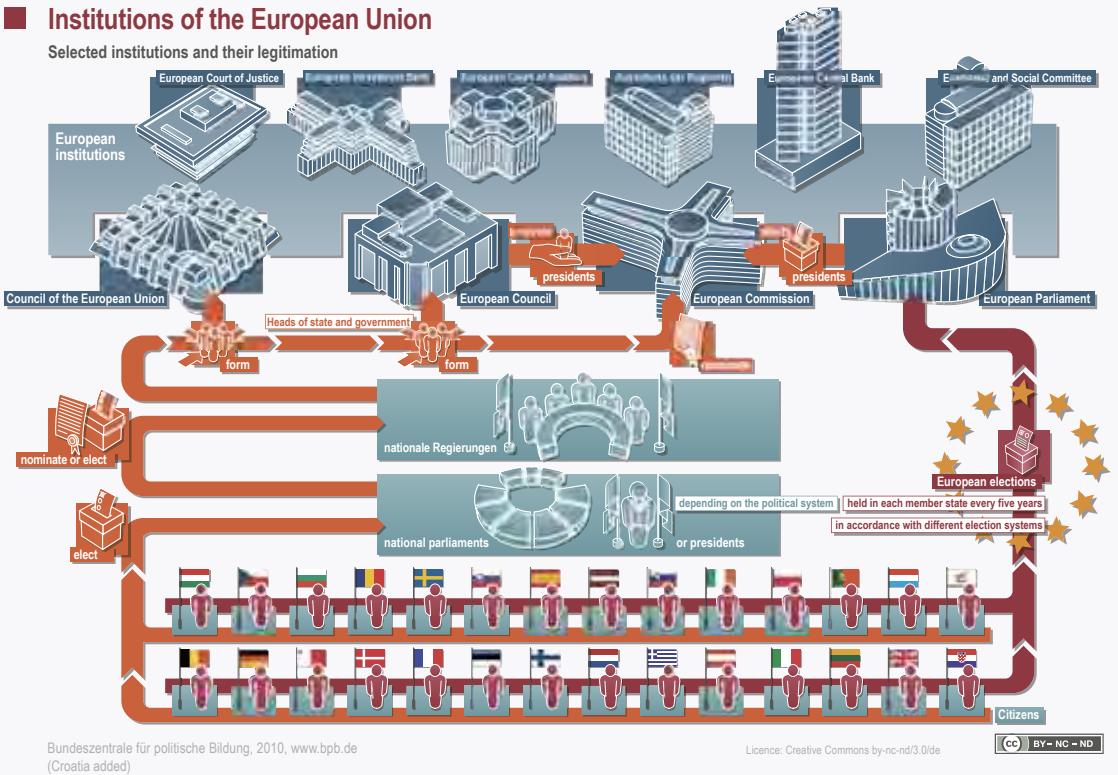


Figure 11: Institutions of the European Union

All in all, the European Union is a complex political system. In the literature it is described as a »dynamic multilevel system« (Jachtenfuchs/Kohler-Koch 1996). This is due to the close intertwining of regional, national and European levels. Furthermore, this designation makes it possible to skirt round the difficulty of defining the EU precisely.

The specific nature of the EU can be traced back to the history of its emergence, especially the different interests that have played a role in it. The European integration process is distinguished – as we have seen – by tensions between its actors.

National governments have been ready, on one hand, to surrender power to the European level, but on the other hand did not want the new level to become too powerful and have sought to maintain their own political influence. From this dynamic of supranational organisational efforts and preservation of national interests arose this multilevel system.

Because the EU's economic and political power has grown and grown since it came into being after the Second World War it is extremely important to solve its legitimacy problems. As we have seen, a certain lack of democratic accountability arises from the construction and functioning of the institutions.

What this means for social democracy:

The structure of the current EU only partially meets the democratic requirements of social democracy formulated in Chapter 2. This became clear in particular in relation to:

- the weak position of the European Parliament in the EU system and the European elections held at national level
- the to some extent obscure delimitation of institutions' executive and legislative functions
- the weakly developed parties at the European level
- the merely indirect legitimation of the Council of Ministers and the Commission
- the lack of a European public as a control and counterweight to the Council of Ministers and the Commission

3.2. Prosperity: The European Single Market

»The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it.« (EEC Treaty 1957: Art. 2)

Aim of the EEC (1957): gains in prosperity

Increasing prosperity was a central motive for founding the European Economic Community in 1957. After the failure to establish a European defence community in 1954 the economic dimension was to become the driving force of European unification over the coming decades.

The aim of creating a common market was undoubtedly ambitious. Goods, persons, capital and services: in all these areas there were trade barriers between the EEC's founding members France, Germany, Italy and the Benelux countries, especially customs barriers.

Customs Union, Free Trade Zone and Internal Market for Goods

First step: customs union

The customs union, then, was the first step taken by the six European countries on the way to a common market. From 1959 customs were first gradually reduced and brought into line with one another. In 1968, finally, the customs union was founded: customs duties were no longer levied among the members and for goods from outside (non-member states) uniform tariffs were agreed. The United Kingdom, Ireland and Denmark joined this common market in 1973.

Although a common market now existed formally, in practice there were still multiple legal and technical differences between the countries with regard to the approval, certification, norms and standards of products. It was difficult to bring the relevant legal provisions into line because the treaties required unanimity in the Council.

Negative Integration

The customs union is a textbook example of the removal of national regulations in favour of a common European solution. Because this involves **dis-mantling** many different national rules and putting a uniform European regulation in their place, this form of European integration is known as **negative integration**. This form of integration is characteristic of the EU's economic unification process (see Scharpf 1999).¹⁴

Thus in 1986 the Single European Act was adopted, which instead of a common market now concerned the realisation of an internal market. In order to bring this about the Act provided for an increase in the cases in which decisions could be taken by a qualified majority. As a result, individual countries were no longer able to block initiatives.

In 1992 the completion of the internal market was announced. Today although there are still different provisions on goods and products most European norms have now been adopted by the member states and apply throughout Europe.

The Common Currency

The notion of a common market suggests the introduction of a common currency. At the same time, however, money is a powerful symbol of national identity and an important instrument of national economic policy, so that doing away with national currencies met with considerable resistance. The global monetary system found itself in crisis at the end of the 1960s and the beginning of the 1970s, peaking in 1973 in the collapse of the Bretton Woods system.

*The common
currency*

Bretton-Woods-System: In 1944 the financial architecture of the post-War period was agreed on at the US health resort of Bretton Woods. At its core was an international monetary system within the framework of which exchange rate fluctuations were constrained by a peg to the US dollar. The International Monetary Fund (IMF) and the World Bank were set up as institutions for international lending and financial market regulation. The Bretton Woods system remained in place until 1973. After turbulence on the money markets the dollar peg had to be given up.

Exchange rates fluctuated dramatically. Trade was hit and economic stability jeopardised. At this point the idea of a European currency snake emerged (also known as »the snake in the tunnel«).

The exchange rates between national currencies and the US dollar were supposed to move within certain margins around an agreed central rate. This system, which

came into force in 1972, could not be maintained due to the very different developments in the member countries and a sharp devaluation of the US dollar. The European member states of the currency snake decided, however, to limit at least currency fluctuations within a narrow corridor.

Building on this system it was decided to introduce the European Monetary System (EMS) in 1979 as its successor. The introduction of the EMS can be traced back

to an initiative of the then German Chancellor Helmut Schmidt, French President Valéry Giscard d'Estaing and the Commission President Roy Jenkins (British).

With the EMS a first common currency was introduced: the ECU (European currency unit). This was merely a book currency, however. There were no coins or notes; it was only a unit of account.¹⁵

*1999: Advent
of the euro*

This currency existed until the introduction of the euro on 1 January 1999. The euro, too, was just a book currency at first. In 1988 under the leadership of the head of the European Commission, Jacques Delors, the so-called Delors Report was produced. In it were agreed in three steps the creation of the European Economic and Monetary Union, whose third stage was the introduction of legal tender. On 1 January 2002 the euro was duly introduced as cash.

Jacques Delors (*1925) is a French politician and member of the Socialist Party of France (Parti Socialiste). From 1979 to 1981 he represented the PS in the first directly elected European Parliament. From 1981 to 1984 he was French Minister for Economic and Financial Affairs.

In 1985 Delors became President of the European Commission. During his period in office he achieved a number of important European reforms, among other things, the Single European Act of 1987. The Delors Report (1989) was named after him, which envisaged the realisation of Economic and Monetary Union in three stages.

Monetary policy has been controlled by the European Central Bank since 1999. In order to ensure a stable currency the members of the monetary union are obliged to adhere to the so-called Maastricht criteria. Accordingly, annual budget deficits must not exceed 3 per cent of GDP and overall indebtedness may not be more than 60 per cent of GDP.

*The Stability and
Growth Pact*

This Stability and Growth Pact was adopted in 1997, although some social democratic parties – especially the French Socialists and the German SPD – on one hand, considered it inflexible and, on the other hand, called for it to be supplemented by economic policy coordination (or economic government). With regard to certain instances the Stability Pact was reformed in 2005. In special cases even violations of the Maastricht criteria are generally allowed to escape the imposition of a deficit procedure. This is possible, for example, during longer periods of economic recession or low growth and for particular expenditure on education and research or spending related to social security system reform.

.....
¹⁵ Some ECU coins were minted specially. However, they were not official tender.

Besides the annual budget deficit greater account was to be taken of the »annual structural deficit without taking into account the economic cycle«. In contrast to the normal deficit this value takes into account whether a deficit is particularly high or low only temporarily, due to a boom or a recession. The countries of the euro zone decided that this deficit must not exceed 0.5 per cent of GDP.

In the wake of the so-called euro-crisis the Stability and Growth Pact has been stiffened and extended in a variety of ways since 2010. There are now detailed provisions on lowering public debt. The Council has already adopted a deficit procedure and financial sanctions against member states unless opposed by a qualified majority. Something entirely new is an early warning system to counter macroeconomic imbalances: these are imbalances that arise between states when countries export

considerably more than they import or vice versa. The Stability Pact has been embedded in the European Semester. By means of another pact – the Fiscal Pact – the member states of the euro zone have reached binding agreement on the introduction of national debt brakes.

The **European Semester** is a process that takes place in the first six months of every year. In it, the EU member states coordinate policy in certain areas in accordance with a precise pattern and cycle. Thus, for example, the member states are obliged to submit their draft budgets to the European Commission for examination before they are adopted by the national parliament.

A **debt brake** is an instrument by means of which a state – often under constitutional law – binds itself to achieve certain savings targets. Advocates regard it as an effective instrument for curbing public debt over the long term. Critics fear that necessary investment in the future – for example, in education and infrastructure – is hindered by a debt brake, at least if expenditure alone is taken into consideration and no effort is made to boost revenues.

Free Movement of Persons

The economic policy goal of the Schengen Agreement was freedom of movement for workers. More salient for many citizens, however, is the elimination of border controls for holidaymakers since 26 March 2006.

On 14 June 1985 five of the then ten EC member states – Belgium, France, Germany, Luxembourg and the Netherlands – adopted, at a venue near to the town of Schengen in Luxembourg, the so-called Schengen Agreement. In 1990 further details on the abolition of border checks on people were laid down, anchored in EU law since 1997 with the Amsterdam Treaty.

The Schengen Agreement

With the coming into force of the Charter on Fundamental Rights of the European Union in 2009 people's right to freedom of movement and residence became a European basic right.

*Freedom of
movement
for workers*

With the anchoring of freedom of movement for workers every EU citizen obtained the right to work in every country in the Community: either temporarily to perform some kind of service (see the section below on freedom to provide services); or permanently, by finding a fixed employer and new place of residence in another country.

In reality, however, there is a problem that countries sometimes have very different education and training provisions, standards and certification. Since the late 1980s countries have increasingly recognised one another's qualifications. Although the transfer of social security entitlements – for example, pension entitlements – is guaranteed, manifold and complex provisions apply. For example, while there is a basic right to freedom of movement in the EU, workers' mobility is comparatively low.

*Fears about
»Polish plumbers«*

In many EU countries, however, there were fears of an uncontrollable influx of workers from the new member states since EU enlargement to include countries from central and eastern Europe. The apprehension was that they would work for lower wages and thus drive domestic employees into unemployment. The notorious »Polish plumber« became a symbol of these fears in, for example, France, Germany and the United Kingdom.

For this reason a regulation was introduced that enabled the »old« EU member states to protect their labour markets for a transitional period of up to seven years against workers from the new member states.

Austria and Germany introduced this regulation in all branches. In Belgium, Denmark, France, Luxembourg and the Netherlands the regulation was applied in only some branches and the maximum transitional period was not used. The other EU countries did not introduce restrictions. In 2011 full freedom of movement of workers came into force for the ten states that joined the EU in 2004. From 2014 this will also apply to Bulgaria and Romania, which joined the EU in 2007.

Free Movement of Services

With freedom of residence the problem of the different education and training certification and requirements arises. With regard to services provided only temporarily in other European countries the problems are much greater: whose wage collective agreements and minimum wages will apply? What rest periods have to be observed and what holiday entitlements or health and safety standards? Will it be the provisions in the country from which the service provider comes (in other words, the so-called »state of origin« principle)? Or will it be the country in which the service is provided (the country of destination)?

For a long time the country of destination principle applied. In 2004 the European Commission tried with the so-called Bolkestein directive to switch to the country of origin principle. In particular in the countries with comparatively high wages and extensive social standards an increase in competition in the service sector was feared, which, depending on definition, encompassed up to 70 per cent of employment. For this reason the services directive that came into force in December 2006 discarded the country of origin principle once again.

Free Movement of Capital

The idea of a common market also encompassed, besides goods, services and workers, freedom of movement of capital within the European Union. This includes, as well as financial transactions (for example, transfers) also the purchase of land, companies, shares and much more. Capital was supposed to be able to go wherever it could be invested most productively.

In 1988 this was largely completed with a directive liberalising capital movement in the EU. Tax law provisions were excluded.¹⁶

Problems and Shortcomings of the Internal Market

The four freedoms of the European Internal Market described here, which now have the character of fundamental rights, have, like the common currency, undoubtedly brought economic prosperity in many areas. They have brought the citizens of the European Union closer to one another and in some domains have increased freedom. At the same time, problems have arisen from the introduction of the Internal Market, some of which have yet to be solved.

*Freedom of
service provision*

*The Bolkestein
directive*

*Free movement
of capital*

¹⁶ In the Czech Republic, Estonia, Hungary, Latvia, Lithuania and Slovakia, there was also a period of transition for the purchase of land and forestry up to 2011 and in Poland up to 2016.



ca. 500
million
people

The four basic freedoms of the European Internal Market

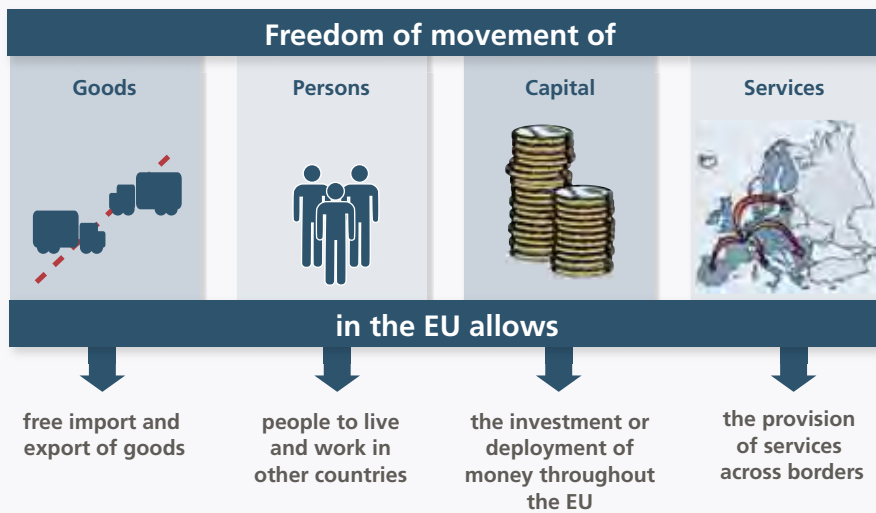


Figure 12: The four basic freedoms of the Internal Market

The Laval case

Freedom of service provision, for example, has resulted in a number of disputes that have been brought before the European Court. To take an example: in Vaxholm, a Swedish town, a school was to be built. The contract went to the Latvian company Laval, which posted workers to a Swedish affiliate company.

The Swedish construction workers' union wanted to ensure that the Latvian workers in Sweden were paid in accordance with the prevailing Swedish collective agreement and took industrial action. Laval held these measures to be illegal and brought a complaint under the freedom to provide services enshrined in the European treaties. Laval's aim was to avoid having to comply with Sweden's strict wage and employment provisions.

In its judgment of 18 December 2007 the ECJ laid down that the strike action was illegal and that foreign companies should not be compelled to conclude or recognise collective agreements, on the grounds that this contravened freedom

to provide services. As a result, national social policy and labour law provisions can be circumvented. The economic policy dimension thus – problematically from a social democratic standpoint – took precedence over the social dimension. The ECB brought a similar judgment in the cases Viking, Ruffert and Luxembourg (the four cases are collectively known as the Laval quartet). This triggered an ongoing debate on the standing of European internal market freedoms in relation to national labour and social legislation.

There have also been conflicts between national and European provisions with regard to freedom of movement of capital. In Germany in particular the so-called VW law has been controversial. This law gives the Land of Lower Saxony a veto in all important decisions concerning this company, even though it owns only 20.2 per cent of the shares.

Furthermore, the employees have decisive influence over enterprise decision-making. The basis for these special rules is that large parts of the plant in Wolfsburg were built with trade union assets expropriated by the Nazis. After the Second World War it was rebuilt by the workforce without external capital.

The old version of the VW law contained a right to appoint supervisory board members on the part of the federal government and the Land of Lower Saxony and an enhanced say for workers' representatives in the supervisory board on the issue of production relocation. According to the ECJ, however, the provisions of the VW law violate freedom of movement of capital and prevented investors from investing in VW. Although the German government amended the law in 2008 the European Commission still regarded it as contravening European law. The amended law was confirmed only after another judicial review by the ECJ.

Problems and Shortcomings of EMU

Under the umbrella of a common currency, finally, certain developments in individual member states have led to problems. Monetary union has deprived individual euro-countries of the instrument of devaluation. This means that there is an incentive for countries to compete in terms of wage and production-location policy. Germany has improved its competitiveness in relation to other European countries by means of low wage agreements; in other words, its productivity gains have brought about production losses in the latter.

Further reading:

Sebastian Dullien (2010), Ungleichgewichte im Euro-Raum, akuter Handlungsbedarf auch für Deutschland, FES (ed.), WISO Diskurs, Bonn.

Bundeszentrale für politische Bildung (2012), Europäische Union, Informationen zur politischen Bildung, Issue 279, Bonn, pp. 16–32. FES (ed.) (2010a),

Klaus Busch (2012), Is the Euro failing? Structural problems and policy failures bringing Europe to the brink, FES (ed.), IPA, Berlin.

The **euro crisis** has its origins in the banking crisis of 2007. After the US bank Lehman Brothers went bankrupt the conviction took hold in the political arena that it was better to save big banks from this fate with a financial »bailout«. The consequences for the real economy if this was not done were considered too dire to contemplate. Because such »bailouts« could be accomplished only with tax payers' money, however, the financial problems of the banks were passed on to states. As a result, their debt ratios skyrocketed.

After some hesitation on the part of the CDU/FDP government agreement was finally reached in the EU on a rescue package of 110 billion euros. In the meantime the Portuguese and Spanish economies had also come under increasing pressure on the financial markets. Their debts had risen so much in comparison with their economic performance that international lenders were demanding more and more guarantees in the form of higher interest rates. They no longer had faith that they would receive timely or full repayment.

The expansion of the refinancing crisis – that is, the ability of the crisis states to obtain loans – led to the introduction of other instruments that were supposed to solve it. In May 2010 a temporary rescue mechanism was created in the form of the European Financial Stabilisation Facility (EFSF). In autumn 2012 the permanent European Stability Mechanism (ESM) came into force. For this purpose the euro-states provided guarantees for loans of up to 700 billion euros.

Greece, Ireland and Portugal received loan assistance under the first scheme in the amount of 200 billion euros. In return they had to commit themselves to financial and economic policy measures set by a so-called »troika« comprising the European Commission, the ECB and the IMF. Spain and Cyprus have benefited from the second mechanism. They, too, have to meet strict conditionalities. The policy of cuts that goes hand in hand with these conditionalities has come to be known as »austerity« policy, after the Latin »austeritas« (strict or severe, but also harsh, sour or bitter).

Wage and social security cuts of up to 20 percentage points form the substance of austerity policy for the crisis countries. The consequence has been a considerable consumption crunch, which in turn has triggered a deep economic crisis characterised by rocketing unemployment. The undermining of collective agreements, the dismantling of employment protection and the privatisation of many state-owned enterprises has further hobbled economic growth. In Greece and Spain the unemployment rate had risen to over 50 per cent among 15–24 year-olds by 2013.

The hope that the crisis-states could soon resume borrowing has proved unfounded. In fact, austerity policy has driven public debt even higher due to the mechanism »lack of domestic demand leads to lower economic development which leads to dwindling tax revenues«.

With particular reference to Greece further demands arose in the EU in 2011. Greece finally reached agreement with the majority of private creditors on a so-called »debt haircut«, which meant that investors had to forgo over 50 per cent of the capital that they had loaned Greece.

This debt haircut awoke fears, in connection with the ongoing, apparently insurmountable crisis, that other countries could be »infected«. This means that their loss of capital in Greece has negatively influenced sentiment among financial investors in relation to the creditworthiness of other countries, thereby exacerbating the crisis. As a result, the ECB has repeatedly made credit available on very favourable conditions. Finally, in autumn 2012 the ECB declared that it would buy-up the government bonds of crisis countries from creditors without limitation. For ECB President Mario Draghi the point was to prevent the break-up of the euro zone, for example, as a result of a disorderly payment default on the part of a particular state and the probable domino effects.

The measure worked and the euro zone was preserved. The side-effects of crisis management have been enormous, however. On one hand, there remains the danger that the bankruptcy of one bank or even of a state could lead to a chain reaction because the unpaid debts of the one are the vanishing assets of the other. On the other hand, the dire economic crisis is continuing in many euro-countries. Finally, the risk of poverty is growing in Cyprus, Greece, Ireland, Italy, Portugal and Spain. Social protest and political instability are rising.

In parallel with the bailout programmes negotiations began on establishing a European economic government, advocated as early as 1996 by France, but criticised by the German government (see Section 4.2). More binding economic-policy coordination within the euro zone and the introduction of new common instruments and mechanisms is a matter of controversy between states. The project of a European banking union has made most progress to date and is due to get of the ground in 2014 with a single supervisory authority under the umbrella of the ECB.

Unregulated financial markets were one of the main causes of the crisis. Attempts to re-regulate and to govern the financial markets more closely were on the agenda in the early years of the crisis, but for the time being remain fruitless.

In June 2010 the EU heads of government at least agreed on a mixture of bank levies and taxes on the financial sector, however. Stronger regulation foundered on the UK veto. In 2012 eleven EU states agreed to introduce a mutually agreed financial transaction tax in a small circle in order not to continue to be held up by resistance in the other member states.

Further reading:

*FES (ed.) (2013),
Future scenarios
for the eurozone:
15 perspectives on
the euro crisis, IPA,
Berlin.*

*Cerstin Gammelin
and Raimund Löw
(2014), Europas
Strippenzieher. Wer
in Europa wirklich
regiert, Berlin.*

*Film:
What's next in the
euro crisis?
Four scenarios, FES*



► www.youtube.com/fesonline

The common monetary policy for the euro zone is not enough to cope with the economic imbalances of the member states, however. The ECB's base rate is always too high for some countries and too low for others. Ultimately the by and large low interest rates in the crisis-states brought about a credit-financed demand boom and a speculative bubble that burst in 2007, creating a global financial market crisis. While state spending programmes were reined in by the Stability Pact households and businesses had become steeped in debt. When the speculative bubbles burst the banks came under pressure. In order to prevent their debts from triggering a Europe-wide payment default and its fatal consequences states picked up the tab.

Lack of coordination

The lack of economic-policy coordination between the euro-zone countries thus threatens internal European solidarity and for individual countries may lead to major economic and budgetary policy problems. Besides the home-made causes – structural deficits, high tax evasion, waste of public money, corruption – this is also one of the reasons for the current crisis in Greece and other euro-zone countries (see Section 4.2).

Even though the common currency and the four economic freedoms have achieved considerable results the specific arrangements and interpretation have sometimes entailed grave problems. Correcting the imbalance favouring negative over positive integration is one of the biggest challenges facing the EU in the coming years.

What this means for social democracy:

- With regard to the three requirements of Europe in terms of prosperity it is clear that European integration in recent decades has, on one hand, made an important contribution to prosperity and growth.
- On the other hand, especially in recent years, it appears that growth has sometimes been pursued as an end in itself. It has not been asked often enough whether people's quality of life has in fact been improved in this way.
- In future economic integration and economic growth must be more closely pursued in the service of citizens under the aegis of a conception of qualitative growth.

3.3. Social Equality: European Social Policy

There have numerous demands and attempts to balance negative (economic) integration with positive integration measures. However, agreement on social issues is getting more and more difficult to achieve. The gradual evolution of a social dimension is thus another journey that has yet to be completed.

European Internal Market and National Social Policy

In the founding treaties of Rome (1957) the implementation of the four basic freedoms (see above) and thus the basis of economic integration was laid down by law. European social policy was not considered inherently important. Indeed, it was long regarded as merely an appendage of the economic dimension.

The reason for the reticence of the founding states with regard to social policy was primarily its close intertwining with legitimacy and identity. Add to that social policy's traditional status as a domain of the nation-state.¹⁷

Positive Integration

In contrast to **negative integration**, which aims solely at dismantling trade barriers, the notion of positive integration covers measures and decision-making oriented towards establishing new policy areas and institutions. An example of **positive integration** at the European level is Community regulations on labour law (see Scharpf 1999).¹⁷

The notion that nation-state and welfare state overlap goes back largely to the time when markets were still delineated by national borders. Combating social inequality was a key task of national policy. With ongoing economic integration the idea grew among the member states that national social policy could be complemented with European social policy in support of the internal market project. Ultimately, the European – like any market – has also produced social inequality (Schünemann/Schmidt 2009: 274 f).

A European social policy developed only slowly, however, because agreement on social policy issues was difficult to achieve among the member states. This was largely because up to the adoption of the Single European Act (1986) all social policy issues were subject to unanimity.

Social policy has long been merely an appendage

¹⁷ On negative integration see Section 3.2.

Another difficulty lies in the differences between national welfare state models. Each enlargement round has increased the number of different welfare states. Alongside the various social policy traditions and institutional structures – so-called path dependencies – differences between the interests of the respective member states also increased. Besides national path dependencies, however, the political majorities that could be mustered in a given country determined whether social policy integration would be advocated or rejected.

Antidiscrimination

One of the first areas in which the European level was active in social policy was equal rights for men and women in working life. In 1972 the Commission was tasked by the European Council to develop a social policy action programme. In the following years several equal treatment directives were adopted.

Its most explicit expression was the combating of discrimination at the European level in the equal treatment directive of 2000, which in Germany led to the General Equal Treatment Act.

Labour Law

The setting of minimum standards in labour law is a second area of European social policy. To begin with, unanimity was required in social policy. With the Single European Act (1986), however, majority voting was made possible in a number of areas. By means of a broad interpretation of the concept of working environment (Art. 118a) a number of European directives – for example, on maternity leave, the protection of young people at work and on working time – were adopted. A complaint by the United Kingdom against the corresponding interpretation of the treaties was rejected by the ECJ.

The Maastricht Treaty 1992 represented a qualitative leap in the expansion of European social policy. It vested competences at the European level for broad areas of labour law (working conditions, employment protection, information and consultation of workers, enterprise codetermination) and certain components of social security.

In the 1990s a series of directives were enacted on this new basis, including the Directive on European Works Councils (1994) and the Posted Workers Directive (1996). Expressly excluded from Community competence, however, were the rights to organise and to strike, wage issues and lock-outs.

*Early commitment to
equal rights*

*Setting minimum
standards*

Social dialogue was also upgraded in the Maastricht Treaty as an instrument of European social policy. The umbrella bodies of European employees' and employers' organisations were thus enabled to negotiate collective agreements. These can then be converted into generally binding legal acts by the Council.

»The term **social dialogue** as used in the EU stands, on one hand, for bilateral dialogue between the European employers' and trade union organisations and, on the other hand, for the tripartite dialogue between these social partners and EU bodies. Consultations have been institutionalised in particular by means of the European Economic and Social Committee and the European Social Summit ... The social partners can also conclude framework agreements. The implementation of framework agreements as legal acts is carried out by the Council on the proposal of the European Commission.« (Europalexikon 2013: 343, slightly abridged)

The first directive that materialised in this fashion was the Parental Leave Directive 1996. It laid down, among other things, a legal minimum entitlement of three months' parental leave. A more recent example of a directive adopted on the basis of the social dialogue is the Directive on Temporary Agency Work 2008. It lays down that the same working and employment conditions must apply to agency workers in a company as to directly employed workers.

The upgrading of European social policy in the Maastricht Treaty ultimately occurred only by virtue of a tactical manoeuvre. While Germany, Italy, France, Belgium and Denmark firmly advocated a social component for the Economic and Monetary Union via qualified majority voting, the United Kingdom strictly ruled this out. Finally, the states agreed that the aforementioned innovations be laid down in a separate »agreement on social policy« annexed to the Treaty.

Thus it was binding only on the signatories of the agreement and not for the United Kingdom. Nonetheless, it was possible for the member states to use the institutions and instruments of the Treaty for the purpose of social policy.

Only after a change of government in the United Kingdom in 1997, when Tony Blair was elected prime minister, could the social agreement be incorporated in the new Treaty of Amsterdam (also 1997).

European Fundamental Rights

The EC – and later the EU – was concerned with fundamental rights relatively early on. A first important document was the Charter of the Fundamental Social Rights of Workers (the Social Charter) of 1989.

The Social Charter did not lay down binding norms, but can be regarded as an important signal and reference point within the framework of the social aspect of the internal market programme.

By adopting it the member states declared themselves ready to implement fundamental social rights at the member state level or at the Community level. It was thus a kind of moral commitment. The United Kingdom accepted the Social Charter only in 1998.

Parts of the Social Charter were transposed in the Charter of Fundamental Rights of the European Union (Charter of Fundamental Rights) from 2000. However, it became legally binding only with the Lisbon Treaty (1 December 2009).¹⁸

In six chapters (dignity, freedom, equality, solidarity, citizenship and justice) the Charter formulates the classic human and civil rights, as well as political, economic and social rights. The Charter provides a clear overview of the EU's value commitments.

Although the Charter formulates a legal entitlement for all people its application is limited to the extent that it is valid only in relation to the institutions and establishments of the EU in compliance with the subsidiarity principle.

This means that the citizens cannot simply claim their basic rights before the ECJ but national courts remain competent in such instances. On the other hand, the ECJ can appeal to the Charter in its rulings.

Employment and Social Security

The Amsterdam Treaty 1997 incorporated a substantial social policy innovation, namely a new employment chapter.

The expansion of cooperation in the area of employment is a good example of how Europe-wide cooperation between the member states makes more sense than desultory measures by individual member states.

¹⁸ However, the United Kingdom, Poland and the Czech Republic are exempt.

In the second half of the 1990s rising unemployment was defined as one of the EU's key challenges. However, the member states wanted to hang on to their labour market policy competences.

This dilemma gave rise to a new form of European cooperation, the so-called open method of coordination (OMC). The OMC represented a new EU policy instrument. However, to begin with it was deployed only in the employment domain.

The member states use it to formulate common goals and guidelines that they try to achieve nationally, on their own account. The European Commission has the task of evaluating and coordinating the national reform measures. Within the framework of regular meetings countries exchange views and experiences concerning reform measures with a view to learning from one another.

In contrast to supranational legislation the OMC is thus a form of soft governance without the option of sanctions in the event of transgressions. However, moral pressure can be exerted by means of the so-called progress reports of the Commission in which the member states' national reform efforts are compared.

In subsequent years the OMC has been extended to other policy areas. It is now applied in the modernisation of social security, the fight against poverty and social exclusion, as well as in pension and health care policy.

Its voluntary and non-binding character enables the OMC to foster cooperation between the member states in highly sensitive areas. However, this non-binding character means that substantive implementation of national reform programmes is not guaranteed.

Coordination of employment and social policies now takes place primarily within the framework of the Europe 2020 Strategy (see Section 4.2). Its superordinate goals include raising the employment rate and reducing the risk of poverty.

European Social Fund/Globalisation Fund/Youth Employment Initiative

Other instruments of European social policy include the European Social Fund (ESF) and the relatively new European Globalisation Fund (EGF). In contrast to the already mentioned »regulatory« social policy activities the two funds are financial support programmes.

*A new instrument:
the OMC*

Financial support

The EFS was established along with the EEC Treaty of 1957. It supports employment measures in the individual member states and promotes social cohesion.

For example, measures for the training or further training of the unemployed and support for worker mobility are promoted. Furthermore, economically weak regions can apply for resources from the funds.

A supplementary financing instrument was added in 2006 in the form of the European fund for adaptation to globalisation (EGF). An annual 500 million euros or so are deployed to deal rapidly with the negative consequences of globalisation, for a limited period. The resources are used, for example, to reintegrate workers who have lost their jobs – as a result of globalisation – because their company has relocated.

Germany applied to the EU for resources from the EGF for the first time in 2007 in relation to workers affected by the insolvency of the company BenQ. The EU made available around 12.7 million euros from the Fund.

The Europe-wide employment initiative for young people was concluded in 2013 in response to the high unemployment rates among young people in many of the European states hit by the crisis. With 6 billion euros diverted from other EU budgets action programmes are funded in the hardest hit regions of the EU. The aim is to help young people find work.

Social Policy Deficit in the EU

Despite the multitude of measures now to be found at the European level the EU's social policy competences remain meagre in comparison with its economic scope for action. Furthermore, it is clear that to date European social policy has been primarily the handmaiden of the Internal Market.

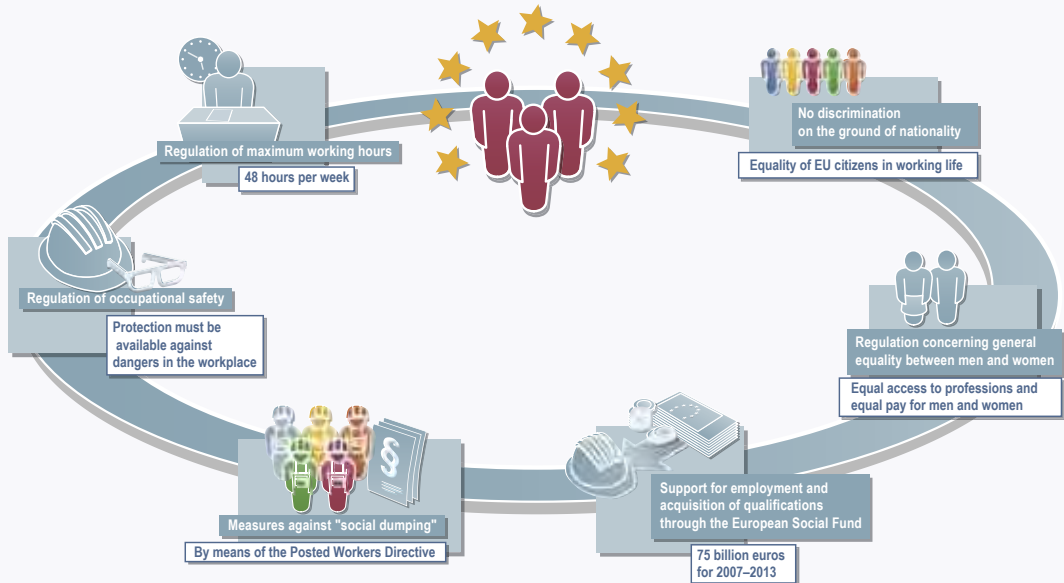
The major importance of employment policy measures and the strong focus on workers' rights testify to this. In other social policy areas – social security, pensions, health care – the EU has merely coordinative functions.

The EU is not a state in the traditional sense and there are few calls for a European welfare state along the lines of those at national level.

*Social policy: still
largely national*

Social policy in the EU

The social dimension of the Internal Market



Bundeszentrale für politische Bildung, 2009, www.bpb.de

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Figure 13: Social policy in the EU

The major differences between the EU states, both economically and in terms of social policy, often prevent positive integration projects from being realised. Social policy remains largely in the hands of the nation-state.

That is not unproblematic. Negative integration in the form of the four market freedoms has intensified competition with regard to wage costs, social security systems and social standards, as well as in relation to corporate taxation. Furthermore, national room to manoeuvre with regard to finance policy has been restricted by the Maastricht Treaty's convergence criteria, described above. Within the framework of the euro-crisis surveillance and centralised control of member state budgets in the wake of Stability Pact reforms and on the basis of the Fiscal Pact have been stepped up. A social policy counterweight at the European level has not yet been created.

Website of the Party
of European
Socialists on the
youth employment
guarantee
(in English):
► [http://www.
youth-guarantee.eu](http://www.youth-guarantee.eu)

Whether this results in particularly well developed welfare states not being able to maintain their high standards remains an open question, however. It depends on future developments in this area and especially on political decision-making and majorities.

For further reflection

Although the EU is already active in some areas of social policy, such as labour law and the protection of fundamental rights, the core areas of social policy responsibility – such as unemployment and pension insurance, income support, child benefit and health insurance – are still organised by nation-states.

Task: Which social policy tasks, in your opinion, should continue to be regulated at the national level and which ones could be dealt with better at the European level? What reasons favour national solutions in these domains and what reasons favour European ones?

Further reading:

Sonja Blum et al. (2010), *Politisch limitierter Pluralismus: die Wohlfahrtssysteme der 27 Mitgliedsländer der Europäischen Union*, FES (ed.), IPA, Berlin.

Andrej Stuchlik (2008), *Europe on the way to a social union? The EU social agenda in the context of european welfarism*, FES (ed.), IPA, Berlin.

Klaus Busch et al. (2013), *Euro crisis, austerity policy and the European social model: how crisis policies in Southern Europe threaten the EU's social dimension*, FES (ed.), IPA, Berlin.

Overview: EU social policy instruments

INSTRUMENT	WHAT?	EFFECTS?
Directives	<ul style="list-style-type: none"> Labour law directives Antidiscrimination directive 	<ul style="list-style-type: none"> Legislation: the directives have to be transposed into national law.
Coordination	<ul style="list-style-type: none"> Coordination of national social security systems with regard to unemployment, health and pension insurance Open method of coordination (OMC) within the framework of the Lisbon and European employment strategies or the Europe 2020 growth strategy 	<ul style="list-style-type: none"> No harmonisation of member state legal provisions, but it is ensured that EU citizens are not disadvantaged within the framework of free movement of persons. Commitment by member states to reform efforts, mutual learning by comparing the best national practices, no legislation.

INSTRUMENT	WHAT?	EFFECTS?
Financial support	<ul style="list-style-type: none"> • European Social Fund (ESF) for the active reintegration of the unemployed • European Globalisation Fund (EGF) to ameliorate the consequences of globalisation (for example, company relocations) • Employment initiative for young people to stem youth unemployment in the hardest hit regions 	<ul style="list-style-type: none"> • Redistribution between states

What this means for social democracy:

- With reference to the demands on Europe formulated in Chapter 2 it appears that there is an even greater need for action in the dimension of »social equality«.
- The Social Union is not currently a component of European integration on the same footing as the Economic and Monetary Union. Furthermore, there are, as yet, only the rudiments of binding common standards for Europe-wide social equality.
- The strengthening of the social dimension thus remains, from a social democratic standpoint, a key area of future European reform efforts.

3.4. Sustainability: From Environmental Law to Sustainable Development

*Early EU
commitment*

As early as the 1970s, when environmental issues were a topic of public debate, a first environmental policy action programme was formulated at the European level. In tandem with the creation of a common market a series of directives followed in the area of air and water pollution, waste disposal and nature conservation. However, the EU has also long pursued specific ecological goals. The first environmental directive thus dealt with the classification, packaging and labelling of dangerous substances (1967). Directives followed that regulated air pollution through vehicle exhaust emissions (1970) and the protection of birds and their habitats (1979). With »Natura 2000«, for example, the EU established a Europe-wide network of nature conservation areas, which now encompasses more than 26,000 areas throughout the EU.

The Single European Act laid down four environmental policy goals in 1986:¹⁹

1. to preserve, protect and improve the quality of the environment;
2. to contribute towards protecting human health;
3. to ensure a rational and prudent utilisation of natural resources;
4. to promote international measures that combat regional and global environmental problems.

European environmental policy was gradually upgraded with the treaties of Maastricht (1992) and Amsterdam (1997). Since then, environmental protection has been bindingly defined as a transverse European task:

*»Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable development.«
(Treaty of Amsterdam 1997: Art. 6)*

Environmental policy goals are now also enshrined in the European Charter of Fundamental Rights. Furthermore, the principle of sustainable development is also included there in Art. 37:

¹⁹ Goals in line with the Single European Act in the Official Journal of the European Union (L No. 169/12) of 29 June 1987, p. 10.

»A high level of environmental protection and the improvement of the quality of the environment must be integrated into the policies of the Union and ensured in accordance with the principle of sustainable development.«

European environmental law is now replete with binding quality standards. By setting upper limits for hazardous substances the aim is to reduce, for example, environmental burdens throughout the EU.

The directives adopted at the European level must be transposed into national law by the member states within a certain period. If they fail to do so sanctions can be imposed on the defaulting state, for example, in the form of fines.

European Climate Policy

Climate change has become one of the most importance environmental policy issues in the EU in recent years. The European Union is committed both internationally and within Europe to reduce greenhouse gas emissions. To this end the EU has established an emissions trading system. In contrast to emissions trading under the Kyoto Protocol of 1997, in which states trade emissions certificates/rights, in the EU it is companies that do so (see Section 4.4). Support for adaptation to the unavoidable effects of climate change has now also become a key component of European climate policy.

The problem of climate change was first mentioned explicitly in the Lisbon Treaty. The greater importance of European climate policy was also underlined by the establishment of a dedicated DG of the European Commission and the appointment of a Commissioner for climate policy.

Sustainable Development

The concept of sustainable development was laid down as an overarching objective of European policy with the Treaty of Amsterdam (1997).

With the new European sustainability strategy of 2006 the EU is pursuing a comprehensive concept of sustainable development. In seven key areas enhanced efforts are to be made and interactions between the various policy areas are envisaged.

This involves:

1. climate change and clean energy
2. sustainable transport development
3. sustainable production and consumption
4. conservation of natural resources
5. improvement of air quality to protect health
6. combating social exclusion
7. implementation of sustainable development and combating poverty in the world.

The **Lisbon Strategy** was adopted by the European heads of state and government at the Lisbon summit in March 2000. Its aim was to make the EU the most competitive and dynamic knowledge-based economic area in the world by 2010. By means of Europe-wide reform policies national economies were to be transformed into knowledge-based economies and European welfare states were to be modernised on the model of the so-called »active welfare state«. The Lisbon Strategy was thus controversial. A critical interim report (the Kok Report of 2005) on reform progress in the member states contributed to a re-orientation towards growth and employment. Furthermore, it was argued that it was too much under the sway of the economic-liberal Zeitgeist. The successor of the Lisbon Strategy is the Europe 2020 programme which lays down »sustainable growth« as one of its aims. (see Section 4.2)

The European sustainability strategy was viewed as complementing the Lisbon Strategy with the goal of strengthening the ecological dimension in the integration process. The sustainability strategy is pursued by means of the soft steering mechanism the OMC (see Section 3.3).

Problems of European Sustainability

European policy on environmental protection and sustainable development faces two problems in particular. Although there have been a number of successes, for example, with »acid rain« and river pollution, difficulties arise when cause and effect occur in different places. Some environmental policy goals, such as limiting global warming, can ultimately be achieved only at global level.

Although the EU can set itself ambitious targets and to some extent set a good example in terms of environmental and climate policy, if this example is not followed by key states, such as the United States or China, the effectiveness of the relevant measures will be limited.

Another problem faced by European sustainability policy is largely home-grown, however. It concerns primarily the implementation of often ambitious goals within the framework of the strategy for sustainable development. The lack of political will in the member states to pursue their national sustainability strategies consistently plays a role in this context.

What this means for social democracy:

- On one hand, the EU's commitment to environmental and species conservation is remarkable, but on the other hand it has not been able to integrate and coordinate the three dimensions of sustainable development – social, economic and environmental – in its policies to the same degree.
- Reforms to promote sustainable development must pursue an upgrading of the environmental and social dimensions in relation to the economic dimension, so that in the long term all three dimensions are considered on an equal footing in all policy activities.

3.5. Peace: European Foreign and Security Policy

After the terrible experiences of two world wars in a period of only 30 years the goal of lasting peace on the European continent was the driving force of European integration.

In this respect European unification has to date been an unparalleled success. There has been peace between the member states for over 65 years and future military conflict is fundamentally excluded due to the close economic and political integration.

The difficult external relations of the European nations were transformed into internal relations that, although not entirely without conflicts of interest, are characterised by the negotiation of differences under a common roof with a view to reaching agreement.

The question now arises of the »new« foreign relations of the Community. What stance and role should the new institutions take on foreign policy issues?

Foreign and security policy are traditionally important domains of the nation-state. They are among the classic tasks of a state. The state ensures the security of the populace and represents its interests abroad.

In terms of democracy theory this is a key condition of people subjecting themselves to the state's monopoly of violence. Foreign policy also has a strong – and often also positive – impact on the public.

European Foreign Trade Policy

There is one area of foreign policy which is a competence of Community policy because of the Internal Market: European foreign trade relations.

*Foreign trade –
supranational*

The EU can pursue an autonomous trade policy in economic relations with third countries. This includes, for example, the fixing of external tariffs on goods from third countries or measures to protect the European market (for example, anti-dumping measures, import or quantitative restrictions, suspension of trade concessions and so on). The European Commission can, as a rule, implement such measures on its own.

The EU's basic trade relations are concluded within the framework of the WTO Agreement. Apart from that the EU negotiates and concludes bilateral free trade agreements with individual states or groups of states (for example, Economic Partnership Agreements with ACP [Africa, Caribbean, Pacific] states) or currently the Transatlantic Trade and Investment Partnership (TTIP) with the United States.

*Foreign trade –
intergovernmental*

In contrast to foreign trade relations, which were supranationalised in the wake of the Internal Market, European foreign policy relations are organised between states (intergovernmentally).

European Policy Cooperation

The prospects of the European founding states – the Benelux countries, France, Germany and Italy – cooperating more closely politically, as well as economically, initially did not look good. The first efforts to establish a European defence community and a European political community in the 1950s and 1960s foundered.

The so-called European Political Cooperation (EPC) represented a new attempt at political cooperation. The basis for EPC was the so-called Davignon Report of 1970 (named after the Belgian diplomat Étienne Davignon).

Its express aim was to achieve harmonisation of the foreign policy positions of the six member states and, if need be, to agree on a common approach. The EPC was organised purely intergovernmentally and had no basis in the treaties. Thus at first it was a non-legally binding agreement between the six states.

With the Single European Act (SEA) of 1986 governments declared themselves ready for the first time to develop a common foreign policy. The aim was to strengthen the Community's – which had now grown to 12 states – international relations by means of a unanimous voice.

Common Foreign and Security Policy

The founding of the European Union with the Maastricht Treaty (1992) finally opened the way to the establishment of a common foreign and security policy (CFSP). The possibility of a common defence policy was then considered a long-term goal.

In the »temple« structure²⁰ created by the Maastricht Treaty the CFSP formed the second pillar. The first, supranationally organised pillar included the Community policies of the EC (formerly the ECC) and the third pillar was dedicated to police and judicial cooperation (PJC). Both the CFSP and PJC, in continuation of EPC, were organised solely on an intergovernmental basis.

The member states thus had not surrendered any sovereignty, but merely created an institutional framework for consultations and discussions of joint measures on foreign policy issues.

1970: first steps – EPC

1992: Cooperation in the CFSP

²⁰ See Figure 7.

All joint foreign policy actions and positions under the aegis of CFSP were on the basis of unanimity; neither the Commission nor the ECJ could exert any influence. This again shows that the member states, as in the social policy domain, while recognising a need for common action in principle, were not willing to surrender sovereignty at the European level.

Within the framework of the restructuring of the international political system after the end of the Cold War (1989/1990) the EU had to (re)define its role as foreign policy actor. The »assertion of its identity at the international level« became its declared goal.²¹

The creation of the office of the High Representative and the cautious softening of the unanimity principle in the form of constructive abstentions can be taken to exemplify the further development of CFSP in the following years.

The latter enable a group of member states to deepen their cooperation, without individual member states being able to block it through abstention. The CFSP was extended by the Nice Treaty (2000), in which, besides security and peace, the promotion of democracy, human rights and the rule of law was also identified as a task.

European Security and Defence Policy

While the EU has concentrated primarily on foreign policy within the framework of the CFSP, the European Security and Defence Policy (ESDP) added a military component.

Crucial impetus for heightened efforts to establish a common defence and security policy was the experience of European impotence in the Balkan conflict. In particular the Kosovo conflict in 1999 highlighted the EU's inability to come up with a political solution. The differences of opinion between the member states prevented a clear and unanimous EU approach at the start of the conflict. It presented another opportunity to trot out the line that the EU is an economic giant and a foreign policy dwarf. Because the EU had no military capabilities of its own to deploy in the conflict the sole option was the intervention of NATO troops.

*Security and
defence: ESDP*

*Impetus: the
Balkan conflict*

²¹ Consolidated version of the Maastricht Treaty, Art. B. (<http://eurlex.europa.eu/en/treaties/>)

Against this background the EU heads of state and government at their Council meeting in Cologne in June 1999 decided to enable the EU to carry out international crisis management operations. The member states committed themselves to building up the necessary structures and civil and military capabilities.

»The term **Soft Power** describes a particular way of exerting power by state and political actors over other states and societies; this power does not lie in military resources (>hard power<). The resources of soft power include acting as a role model, attractiveness and passing on its own norms and values. ... The term was coined by US political scientist Joseph S. Nye. The EU is frequently described as an example of soft power because, on one hand, it does not have comparable resources to the United States and, on the other hand, it sets itself up as a >civil power< in the world.«
(Europalexikon 2013: 340)

In the Treaty of Amsterdam, which came into force on 1 May 1999, they had already added the so-called Petersberg Tasks into the spectrum of ESDP. Accordingly, the EU was to be able to conduct humanitarian and rescue missions, take peacekeeping measures and deploy military forces within the framework of crisis management. In contrast to the United States the EU does not rely solely on military power, but also on **soft power**.

Between 2000 and 2003 the substantive conditions needed for carrying out military or civil-military missions were created with the establishment of institutions and structures – such as the Political and Security Committee, the EU Military Staff and the Committee for Civil Aspects of Crisis Management – and the adoption of the so-called list of competences for developing civil and military competences. In 2003 the EU member states declared that ESDP was operational. Since then the EU countries have had the capacity to dispatch military or police forces to crisis regions. The member states have carried out – or are still carrying out – a total of 30 sometimes complex missions and operations in the past ten years within the framework of ESDP.

As part of CFSP, ESDP is also organised on an intergovernmental basis and requires unanimous decision-making in the Council.

Further Development of Foreign and Security Policy in the Lisbon Treaty (2009)

The EU's foreign and security policy moved forward with the Lisbon Treaty. The aim of the changes is to make the EU more visible and effective as a global political actor and to develop identity-building in European foreign policy.

To this end the Treaty introduced the office of High Representative of the Union for Foreign and Security policy. In November 2009 the member states appointed former EU Trade Commissioner Baroness Catherine Ashton as the new High Representative.

In contrast to the office of High Representative for Common Foreign and Security Policy established in 1999 the new High Representative chairs the Council for Foreign Affairs, in which the 28 EU foreign ministers convene. She is also a member of the European Commission as vice president with responsibility for external relations and the coordination of other aspects of external action. Wearing these two hats is supposed to ensure that EU foreign policy is more consistent and efficient. A key objective is to integrate CFSP more closely with the Commission's competences for enlargement and neighbourhood policy, democratic policy and humanitarian aid.

The High Representative is supported in her activities by the European External Action Service (EEAS). The EEAS, which complements the member states' diplomatic services, comprises employees from the European Commission, the Council secretariat and the member states. Its headquarters are in Brussels and it has 140 EU delegations (»EU embassies«) in third countries and international organisations.

The »security policy arm« of the CFSP, the ESDP, was also upgraded and its mission tightened up. On one hand, the ESDP was renamed the Common Security and Defence Policy (CSDP) and defined as an essential component of CFSP (Art. 46 EU Treaty). It is still subject to the unanimity rule. Furthermore, the Lisbon Treaty for the first time unambiguously sanctions the creation of a European defence policy. A key instrument for this is »permanent structured cooperation«. This enables a group of states to press ahead with defence policy cooperation if unanimity among the member states is not feasible.

Finally, the new Treaty confers on the EU the character of a defence alliance, anchored in the mutual assistance clause. The mutual assistance clause lays down that, in the event of a military assault on an EU member state, the other member states must come to its aid insofar as possible. There is also a solidarity clause in the Lisbon Treaty in accordance with which the member states agree to aid one another in the event of terrorist attacks or natural catastrophes. The affected country must officially seek the aid of the other member states.

In Pursuit of a Foreign Policy Identity

A core problem of European foreign and security policy remains the difficulty of obtaining unanimity among 28 member states on important foreign policy issues.

This is because, on one hand, foreign policy is traditionally very important for national identity formation and thus is politically sensitive and ideologically laden.

On the other hand, the member states, because of their different historical experiences and cultural and foreign policy traditions sometimes have very different foreign policy interests and obligations. This leads in particular in relations with the United States and Russia, but also with China and African countries to varying positions and little chance of attaining unanimity.

The differences between the member states are coming to the surface more and more frequently. In 2003 the member states were not able to find a common position on US efforts to invade Iraq. While the United Kingdom, the Netherlands, Denmark and Portugal, but also many central and eastern European states invaded Iraq alongside the Americans countries such as Germany, France and Belgium spoke out against military intervention and refused to support it. For fear of making public their different foreign and security policy approaches, five years later the EU member states postponed discussion of a new European security strategy indefinitely. With regard to the western Balkans not all member states have yet recognised Kosovo, thereby keeping alive differences about the region. In 2011 the disagreements about international military intervention in Libya showed how difficult it is for the EU to take a common foreign policy path.

The definition of a foreign policy identity for the EU thus represents a major long-term challenge. This is exacerbated by the member states' national foreign policies. Both national foreign ministries and the heads of state and government will scarcely be ready to strengthen European foreign policy at the expense of their own influence.

The change in the global balance of power, however, provides an opportunity for the member states to come to realise that global influence can be achieved only through the EU, even for such countries as France, Germany, or the United Kingdom. Relations with China, India and Russia will be easier for a Community of 28 states than for each country on its own.

Different traditions

*Shift in the global
balance of power*

The same applies with regard to dwindling military resources. The EU member states spent a total of around 200 billion euros on defence in 2011. They must endeavour to integrate their military planning more closely and share and unite the available capabilities.

What this means for social democracy:

- With regard to the three requirements formulated in the area of peace it appears that within the EU the goals of peaceful inter-state relations and a peaceful disposition of states in the form of legal certainty and social peace have largely been achieved.
- Changes and further developments are needed primarily within the framework of EU foreign relations.
- Foreign policy reform proposals should deal with clarifying and strengthening the EU's international profile.

Further reading:

Mathias Jopp and Sammi Sandawi (2009), Europäische Sicherheits- und Verteidigungspolitik, in: Werner Weidenfeld und Wolfgang Wessels (ed.), Jahrbuch der Europäischen Integration 2009, Baden-Baden, pp. 241–248.

Elfriede Regelsberger (2009), Gemeinsame Außen- und Sicherheitspolitik, in: Weidenfeld und Wessels (ed.), Jahrbuch der Europäischen Integration 2009, Baden-Baden, pp. 249–256.

4. EUROPE TOMORROW: OUTLOOK AND REFORM PROPOSALS

In this chapter

- proposals for EU reform in the five dimensions are presented;
- it is explained how these reforms strengthen social democracy at the European level;
- the opportunities for and obstacles to realising the abovementioned reform plans are outlined;
- recommendations for further reading are provided to enable the reader to explore more deeply.

In the previous chapter it became clear that in the course of the integration process important social democratic demands were discussed and sometimes implemented. By way of example one might mention the Charter of Fundamental Rights or the EU's adhesion to the European Human Rights Convention.

It also became clear that the EU today, measured in terms of the demands presented in Chapter 2, still presents a number of shortcomings. Some of them are easier to fix than others.

In what follows those reform proposals will be discussed that are of most interest in relation to social democracy. We can divide them into two categories: first, social democratic projects promoted at the European level (positive integration) and second, social democratic achievements preserved and/or protected at national level.

For reasons of space we cannot present a complete overview of the debated ideas and proposals within the framework of this Reader, but rather a judicious selection.

Further reading:

*Publications of the
FES's International
Policy Analysis unit
IPA*

► www.fes.de/ipa

*Publications of the
FES's Economic
and Social Policy
Division*

► www.fes.de/wiso

4.1. Strengthening European Democracy

Strengthening democracy at the European level is of particular importance for social democrats: the development and functioning of European institutions, as we have seen, is characterised by a number of shortcomings with regard to legitimacy and democracy.

In what follows we shall present proposals for reforming the European Union that could contribute substantively to strengthening European democracy.

Organising European Elections in a European Way

The proposal to Europeanise European elections may at first sound paradoxical. The point of the proposal is that European elections tend to be dominated by national issues and politicians.

Paradoxical proposal?

For discussion

Participation in elections to the European Parliament fell once again in 2009 and is now at a low level overall.

Task: What do you think is the reason for the low turnout?

Do the voters rate the European Parliament's influence too low? Are expectations concerning elections too low or too high? What are reasons might there be?

The proposal to Europeanise the European elections encompasses three instruments:

- introduction of European election lists;
- development of genuinely European election programmes;
- integration of election programmes in a European election strategy.

European Election Lists

Hitherto, nationally held European elections have had only national election lists with candidates from national parties. For the voters it is thus not evident which European party or party group they are really casting their votes for. A European election list, however, would make it clear to voters which group in the European Parliament they are voting for.

European election lists

The criticisms levelled against European election lists are not entirely unjustified. They point out that it is very difficult to reach agreement on a single list because of the multitude of parties represented in party groups. To be sure, implementation of European election lists would be tough in the short term, in particular because there are no European parties comparable to national parties. In the long term, however, the establishment of a European party system is a key aim of social democrats.

There is a medium-term proposal to the effect that parties should nominate a joint leading candidate. Similar to the German election system the voters could wield a first and a second vote in the European elections. With the first vote the top candidates would be elected and with the second vote the representatives of the respective country lists.

Progress has already been made, however: in 2014 the European Parliament will, for the first time, elect the President of the Commission, on the proposal of the Council, taking into consideration the results of the European elections. This innovation introduced by the Lisbon Treaty (Art. 17 para 7 TEU) means that for the first time many European parties have nominated their own candidates

for the office of Commission president in the 2014 European elections.

Martin Schulz (*1955) is a German politician. He is a book dealer by trade and was formerly a businessman. He was also, among other things, mayor of his home town, Würselen, and since 1994 a Member of the European Parliament, becoming chair of the PES group in 2004. Martin Schulz is a member of the SPD national executive, spokesman on European affairs in the SPD executive and in 2012 became President of the European Parliament.

The executive of the Party of European Socialists (PES), November 2013, nominated Martin Schulz joint social democratic candidate in the European elections 2014.

European Election Programme

Another important consideration, which goes hand in hand with the introduction of European election lists, is an enhanced European-policy orientation for election campaigns by means of a uniform European election programme.

European leading candidates

European election programme

European election campaigns in the individual member states continue to be dominated by domestic policy issues. In the political science literature European elections are thus characterised as »second order elections«.

»Second order elections« are regarded as less important than national elections by voters, parties and media alike.

In the 2009 European elections voter turnout averaged 43 per cent.²² Furthermore, national parties regard European elections mainly as a kind of barometer for domestic policy issues or upcoming national elections.

Joint European election programmes would make possible a transnational discussion of European issues, which would not only lead to a Europeanisation of European elections, but also foster a European public.

The first attempts to further Europeanise European election campaigns on the basis of a joint election programme were made by the European Greens in 2004. At the last European election in 2009 all European party groups – with the exception of right-wing nationalist groups – issued so-called election manifestos which provided a platform for national European election campaigns.

In hindsight, however, despite the European election manifestos, the 2009 European elections were still dominated by national issues among the majority of parties.

This was mainly due to the fact that the election manifestos provided merely a topical framework and were not part of a binding European election strategy. In response to this experience the PES spent three years working out its first joint basic programme, which was unanimously adopted in June 2013. The basic programme stands on the following three pillars:

- democratic control of the social market economy;
- a new social »New Deal« in Europe, encompassing acquisition of qualifications, decent work and social justice, to make possible a fulfilled life;
- a European Union based on internal solidarity, which also advocates peace, prosperity and progress internationally.

Goal: foster a European public

Further reading:

Björn Hacker and Gero Maaß (2010), A fundamental programme for the PES. A German perspective on what is still under construction, common ground and key objectives, FES (ed.), IPA, Berlin.

²² By way of comparison: turnouts in elections to the German Bundestag are between 70 and 90 per cent. In 2009 it was around 70 per cent, the lowest since the end of the Second World War.

European Election Strategy

All three elements (European election programme, European election lists/leading candidates and a joint European election strategy) should interlock. Only in that way could Europeanisation and voter mobilisation in European elections be achieved. The economic and political significance of the Union is enormous and the election to the European Parliament, with 380 million people entitled to vote, is the biggest democratic election in the world.

Europeanisation of the European election campaign would mean that

1. national parties would be compelled to conduct European campaigns on European issues, which would give rise to a stronger public engagement with European policies;
2. the European elections could receive a boost in keeping with the major political influence exercised by the EU over national legislation and people's lives;
3. a higher degree of mobilisation and engagement with European policy could be expected on the part of citizens, thus enhancing the legitimacy of European politics.

From a social democratic standpoint this would strengthen citizens' democratic participation in the European integration process by making available to them much more information and increasing their ability to make decisions.

Parliamentarisation of the EU

Another, long-term reform proposal to improve European democracy is based on parliamentarisation of the EU. The European Parliament should be given an enhanced role in the EU's institutional structure. The long-term goal would be to develop the EU in the direction of a system of parliamentary government. This would go some way towards rectifying the EU's democratic deficit.²³

23 In the debate on parliamentarising the EU two models dominate: first, development towards a system of presidential government (speech by Joschka Fischer at Berlin's Humboldt University in 2000) and second, development towards a system of parliamentary government (speech by Lionel Jospin in Paris in 2001). Both models represent long-term perspectives, fraught with preconditions. With the failure of the Constitutional treaty and the acceptance of the Lisbon Treaty some steps were taken in the direction of the parliamentary model.

Reform measures required by parliamentarisation include the following:

- election of the President of the Commission (either by the European Parliament, as in 2014, or by direct election);
- composition of the Commission in accordance with the composition of the European Parliament;
- a new election system for European elections (for example, standardised proportional representation in large regional election districts);
- development of the European Parliament and the Council of Ministers into a bicameral parliament (for example, the European Parliament as the citizens' chamber and the Council of Ministers as the chamber of the states or the creation of a Senate);
- a right of initiative for the European Parliament;
- development of a European party system;
- creation of a European public or Europeanisation of national publics;
- a European constitution with fundamental, human and civil rights as core components.

Goal: more transparency and participation

By strengthening the European Parliament, on one hand, the democratic legitimacy of the European institutions would be enhanced and, on the other hand, (better) democratic participation on the part of European citizens in the political decision-making process would be ensured.

The Lisbon Treaty was an important step towards enhancing the European Parliament. The demand for an equal role for the European Parliament in the European legislative process was largely achieved by converting the co-decision process into a regular decision-making process at the European level.

The introduction of a European citizens' initiative opened up the possibility of direct political participation by European citizens. Some of the other reform proposals, by contrast, are much more conditional and thus more difficult to implement, in particular in a Union of 28 member states. A European constitution or the direct election of the Commission president are among the plans whose chances of realisation are slim; for example, the constitutional project foundered not so long ago.

The creation of a European party system or the formation of a European public would also be touch and go and could be achieved only over the long term.

Further reading:

Joschka Fischer (2000), Vom Staatenverbund zur Föderation – Gedanken über die Finalität der europäischen Integration. Speech given on 12 May 2000 at the Humboldt University, Berlin

In these areas positive trends can be discerned, however. For example, one might mention the efforts of social democratic parties to develop the PES into a programme- and member-based party.

Furthermore, reporting on Europe has started to improve in European quality media with regard to both EU politics and the breadth of information on other EU states.²⁴

From a social democratic perspective, this would address the needs formulated in Chapter 2 concerning extending democratic participation in the political decision-making process among European citizens and the full democratic legitimation of European politics.

4.2. Promoting European Prosperity²⁵

How can prosperity be maintained and promoted in Europe? What ideas and strategies can we come up with? In this section we shall look briefly at the EU's response to these questions – »Europe 2020« – and criticisms of it. The emphasis of the chapter will be on the idea of a European economic government and reflections on how European tax competition might be prevented.

Europe 2020

»Europe 2020« is the name of the current 10-year economic programme of the European Commission. It was adopted by the European Council in June 2010 on the proposal of the Commission. The aim is »smart, sustainable and inclusive growth«. ²⁶ In many areas the new strategy is linked to the old Lisbon Strategy.²⁷

*Lionel Jospin (2001),
Zukunft des erweiterten Europas,
Speech given on
20 May 2001 in
Paris.*

*Martin Schulz
(2013b), Der
gefesselte Riese:
Europas letzte
Chance, Berlin.*

24 On this see, for example, the studies by Christoph O. Meyer (2002) and Kantner (2004). Furthermore, in 2006 the French newspaper *Le Monde* switched from reporting on European affairs and decision-making in its Foreign Policy section to reporting on them in its domestic politics section. This should help to develop a public sense of the interlocking of European and national politics.

25 This section is largely based on the analysis »The Future of the European Economic and Monetary Union« (Friedrich-Ebert-Stiftung 2010a), summarised by the editors of the present publication.

26 Commission Communication, »Europe 2020 – Strategy for smart, sustainable and inclusive growth«, 3 March 2010 (http://ec.europa.eu/eu2020/index_en.htm).

27 See p. 84.

Changes to the »Europe 2020« concept were demanded on many sides. For example, the DGB advocates a reorientation: competitiveness and the market should not be the focus, but rather sustainability, solidarity, cohesion and equality. Stripped of any obligation towards social progress, fighting poverty and »decent jobs« the European Union, according to the DGB, will continue to be a place of social stagnation. Europe needs a new project: a common economic government, which is committed equally to economic, environmental and social progress (see Sommer 2020).

What might the ideas concerning an economic government mentioned here by the DGB chair look like in practice?

Impetus for the »EU 2020-Strategie«:

Within the framework of the Friedrich-Ebert-Stiftung's International Policy Analysis unit (IPA) a number of alternative and far-reaching proposals were developed for »Europe 2020«:

»Proposals for economic policy guidelines:

1. Improve macroeconomic coordination to enable a new policy mix in the EU
2. Define medium- to long-term target debt levels to ensure budget stability in the face of demographic change
3. Introduce a Social Stability Pact for Europe in order to end the race to the bottom with regard to social protection systems
4. Develop a »low carbon economy« as a guiding principle for economic policy coordination in Europe, which in future will be based on a sustainable growth model and an environmentally and energy-efficient industrial base
5. Consolidate the Single Market while maintaining social and environmental standards, as well as through tax policy coordination
6. Increase support for investment and boost the attractiveness of the research environment in Europe.«

(Fischer et al. 2010: 3)

A European Economic Government

»The future of the European Economic and Monetary Union« was chosen by the Friedrich-Ebert-Stiftung's Europe Working Group in September 2010 as the title of an analysis published on this issue. This choice of title underlines the importance of the questions that have arisen since Greece's financial crisis and the »euro-crisis« for the future of Europe. According to the authors a new form of economic integration is required: a European economic government.

In the public debate there have often been calls in particular to unilaterally step up sanctions within the framework of the Stability and Growth Pact. The notion of a European economic government, by contrast, is »an overall approach which encompasses the elimination of macroeconomic imbalances, ensuring well-functioning financial markets and consolidated budgets« (Friedrich-Ebert-Stiftung 2010a: 3). In other words, it is not just about debt, but also, for example, the issue of export surpluses.

The idea of a European economic government described there envisages two arms: a preventive arm and a reactive or corrective arm. Only when preventive coordination by states among one another does not lead to the desired outcome would sanctions be imposed by a central body, that is, the EU.

Preventive Arm

Within the framework of coordination the first aim would be to counteract damaging location competition within the EU. Economic competition is desirable but not on the basis of wage or tax dumping; rather quality and innovation should be the drivers.

Thus this model of an economic government envisages uniform minimum rates and assessment bases for corporate taxation, as well as wages linked to productivity and relatively comparable minimum wages. Minimum wages in each country should be at least 50 per cent of the average gross wage.

Furthermore, the aim of external economic balance should also be brought back into view. In Germany since 1967 the Stability Act has enshrined, besides the goal of adequate and constant economic growth, price stability and low unemployment in the so-called »magic square«.

Further reading:
Severin Fischer et al. (2010), EU 2020 – Impulse für die Post-Lissabonstrategie, FES (ed.), IPA, Berlin.

Friedrich-Ebert-Stiftung (ed.) (2010b), Paving the way for a sustainable European prosperity strategy, IPA, Berlin.

Michael Sommer (2010), If not now, then when? What Social Europe needs is a fundamental policy shift, in: Michael Sommer, Frank Bsirske, Wolfgang Rohde (2010), Business as usual or a new strategy for the future? The Europe 2020 strategy from the perspective of German trade unions, FES (ed.), IPA, Berlin. pp. 4–7.

The proposed model suggests that a country's current account balance within Europe should fluctuate only between -3 and +3 per cent. How countries achieve this would be up to them.

For Germany, a first step must be to adjust wages upwards. This is because »[s]taggating real wages, together with constantly rising exports, weakens domestic demand, causes EU-wide imbalances and begets inflationary tendencies« (Friedrich-Ebert-Stiftung 2010a: 5).

The preventive arm of a European economic government would include other elements, for example, closer participation of the European Parliament in deficit procedures, an EU-wide budgetary policy early warning mechanism and a European financial transaction tax.

The **current account balance** is the difference between all exports and imports of goods as a percentage of GDP.

Financial Transaction Tax

» The tax would be levied on turnover in securities trading, as well as on derivatives, if the transactions were carried out in the EU or, if abroad, with the participation of at least one EU resident company. The tax could take the form of a general and modest imposition on all transactions involving financial securities at a rate of, for example 0.05 to 0.1 per cent on anything above 1,000 euros. Purchases of securities with the intention of holding onto them would scarcely be affected. Also, the more short-term the transaction, the higher the rate. This is because the profitability of short-term speculation derives from the sum of the differences between the purchase and sale price. These differences are narrowed by a financial transaction tax and all the more, the more marginal they are. As a result, short-term speculation with financial derivatives would become considerably more expensive and may therefore be expected to recede.« (Friedrich-Ebert-Stiftung 2010a: 5).

Corrective Arm

The core of the corrective arm of a European economic government would be a European Monetary Fund (EMF). It would be financed, among other things, from a financial transaction tax imposed throughout the EU and Community bonds. Its task would be to enable rapid decision-making on the part of the Council in the event of crisis. In contrast to what happened to Greece, hesitation that serves only to exacerbate a crisis could be avoided. Otherwise, it could issue so-called euro-bonds.

The term **euro-bonds** refers to common bonds that would be issued by the countries of the euro zone. Among other things, the idea is that they would make speculation against individual countries more difficult.

It would also be envisaged that the EMF resort to lending on strict conditions and with rights to intervene in financial policy, but this would not be desirable over the long term.

The Opportunities of a European Economic Government

The idea outlined here of a European economic government is an appropriate response to the question of the future of the European Economic and Monetary Union (EMU). The issue, to the extent it is realistic, can perhaps be summarised as follows:

*»Ultimately – and the events of the ›Greek crisis‹ show this very clearly – the decisive step towards a European economic government will be possible only if it is framed in such a way that the issues of economic policy management are examined in a European perspective (see Lierse 2010). Crisis periods can be the necessary triggers for such paradigm shifts, but they can also easily lead to a resumption of national insularity – the German government, under media pressure and with one eye towards the upcoming elections, is partly responsible for the fact that a ›window of opportunity‹ is now beginning to close«
(Heise/Görmez-Heise 2010: 14).*

Most of the elements of a European economic government presented here have been discussed in the European institutions since 2012 in parallel with crisis management and within the framework of reform of the Monetary Union. The aim is closer economic policy coordination. Besides the first step towards establishing a European banking union, however, little concrete progress has been made.

The differences concerning the future shape of EMU are too great and the fear of entering into a transnational liability union, in which, supposedly, the states would be mutually responsible for one another's debts, is too widespread. Crisis management thus remains in the state of a scarcely sustainable »muddling through«.

At present the completion of the Monetary Union by means of a political union appears to be closed off. Other future-scenarios include the dissolution of the

euro zone, in other words, a rolling back of integration or a »core Europe« decoupled from the other states.

Further reading:

*Arne Heise und
Özlem Görmez-
Heise (2010), Auf
dem Weg zu einer
europäischen Wirt-
schaftsregierung,
FES (ed.), IPA, Berlin.*

*FES (ed.) (2010a),
The Future of Euro-
pean Economic and
Monetary Union,
IPA, Berlin.*

*FES (ed.) (2013),
Future scenarios
for the eurozone:
15 perspectives of
the euro crisis, IPA,
Berlin.*

*Thomas Rixen and
Susanne Uhl (2011),
Unternehmensbe-
steuerung europä-
isch harmonisieren!
Was zur Eindäm-
mung des Steuer-
wettbewerbs in der
EU nötig ist, FES
(ed.), WISO, Bonn.*

Prevent tax competition!

When states compete on the basis of low tax rates for companies, rich individuals or financial transactions it is called **tax competition**. Individual states may hope to boost tax revenues overall, as well as employment in this way. Often, states with poor infrastructure use this strategy to attract investors who might otherwise be put off. Studies have shown, however, that the race to offer low corporate and personal taxes has weakened the revenue situation of European states in recent years. The EU is thus discussing options for limiting tax competition. One way would be minimum tax rates and harmonised assessment bases.

4.3. Strengthening the Social Dimension

For social democrats, social justice, political participation and equal opportunities are fundamental. This can be achieved within a European framework, however, only if the integration process ceases to be at the expense of social equality and social justice.

Social Progress Clause

In response to the controversial rulings of the European Court of Justice (ECJ) a demand has arisen for a clause on social progress to be enshrined in EU primary law. The ECJ has repeatedly given the freedoms of the internal market precedence over national social fundamental rights.

A social progress clause in EU law is supposed to ensure that in cases in which there is a conflict between market freedoms, on one hand, and protective and workers' rights, on the other, fundamental social rights should take precedence. A social progress clause would thus prevent the ECJ from ruling in favour of internal market freedoms and against national workers' social rights. Such a clause could be implemented, for example, in the form of an additional protocol or a Solemn Declaration by the member states obliging the EU to construe the market freedoms in light of fundamental social rights.

A social progress clause in EU primary law would be an important contribution to the protection of social democracy at the national level. It would prevent national protective and workers' rights from being undermined at the European level.

At the same time, they would help to strengthen the EU as a social union. A social progress clause would entail the upgrading of fundamental social rights at the European level. This could pose a counterweight – albeit a small one – to the market freedoms. The demand for a social progress clause is being made in particular by the European Trade Union Confederation (ETUC) and in Germany by the DGB, the SPD and Die Linke.

*Enshrined in
primary law*

*The EU as social
union*

Chances of realisation remain open

Chances of Realisation

But what are the prospects of such a progress clause at the moment?

Some member states – in particular the United Kingdom, but also a number of eastern European countries – would more than likely oppose enshrining such a clause in primary law. In the legislative period 2009–2014 the balance of power in the European Parliament and in the Commission, with conservative-liberal majorities, was also against it.

This does not mean, however, that a commitment to a social progress clause could not meet with success in the long term, for example, if the balance of power changes in the European Council and in the European Parliament.

Social Stability Pact

The proposal of a social stability pact is intended to stem the race to the bottom with regard to wages and social standards within the European Union (Hacker 2011: 18 f). Behind this is the idea of ensuring a common European minimum framework for social standards, without diminishing the member states' autonomy in relation to social policy.

The proposal of a European social stability pact contains three elements:

- minimum wages in all EU member states;
- rates of national social spending oriented towards national per capita income;
- a Europe-wide agreement on education spending.

The introduction of minimum wages in all EU states would take into account the level of each country's economy, adjusting the minimum wage to the national average wage. In order to ensure a minimum wage standard, however, the minimum wage should not be under 60 per cent of the average wage. However, it would be up to individual states whether the minimum wage would be statutory or based on collective bargaining. The minimum wage should apply to both domestic and migrant workers, however.

The second consideration, rates of national social spending, calls for a link between national social spending and national economic performance. If social spending were linked to per capita income it would prevent, for example, a

Further reading:

ETUC (2008), ETUC response to ECJ judgments Viking and Laval, Resolution adopted by the Executive Committee of the ETUC at its meeting of 4 March 2008 in Brussels.

SPD und DGB (2009), Für ein Europa des sozialen Fortschritts – Gemeinsames Positionspapier von SPD und DGB, Berlin.

Katharina Erdmenger et al. (2009), Die soziale Dimension der EU – Binnenmarkt und faire Arbeitsbedingungen – ein Gegensatz?, FES (ed.), IPA, Berlin.

country not spending more on social policy despite a growing economy, thereby driving social dumping within the European Union.

If the member states' different levels of economic strength are linked to the level of social benefits and services a corridor can be defined within which social spending can be adjusted to a country's economic wealth (see Busch 2011). Social spending could fluctuate within this corridor, with the spread to be decided by government. Because only the total share of social spending in GDP would be regulated individual states could continue to decide what specific benefits and services they offer and where their emphases are to lie.

Finally, the third point envisaged by the proposal of a social stability pact is a European agreement on education spending. The states would commit themselves to investing a certain proportion of their GDP in educational and child care establishments, such as schools, universities and kindergartens or occupational training.

What would a social stability pact achieve?

It could make a decisive contribution to bringing about that the social and the economic dimensions of the integration process receive the same weight. Individual states would be subject to less pressure within the framework of competition within Europe.

Integrated guidelines: The integrated guidelines are worked out by the European Commission and presented to the Council for approval. They form the basis for coordinated economic and employment policy for the member states' national reform programmes.

A social stability pact would thus protect European welfare states.

In order to realise a social stability pact it has been proposed

that the integrated guidelines of the Lisbon Strategy be supplemented with a social policy guideline. If a member state violates the social stability pact sanctions should be available along the lines of the Stability and Growth Pact.

Chances of Implementation

What are the chances that a social stability pact would be implemented at the European level? Formally, a social stability pact would be relatively easy to accomplish within the framework of the 10-year European growth strategies.

Max-Planck-Institut für Gesellschaftsforschung (ed.) (2009), Eine europäische Sozialpolitik – wünschenswert, aber unmöglich? – Jo Leinen und Fritz W. Scharpf im Streitgespräch, in: Gesellschaftsforschung 2/2009, pp. 6–9.

Agreements on education spending

Not favoured by all

The difficulty lies in the fact that not all member states want to see the social dimension strengthened. Economically weaker countries reject it, for example, because they believe that low social spending gives – or would give – them a competitive advantage.

In terms of party politics, in particular conservatives and economic-liberals are against a social stability pact.

One reform proposal in the area of social policy but which has economic policy goals is concerns a **European basic unemployment insurance**. Among those advocating this are Roland Deizner (2004) and Sebastian Dullien (2008). The basic idea is that on becoming unemployed workers should, for 12 months, receive unemployment benefit in the amount of 50 per cent of their previous income from a European basic unemployment insurance fund. The member states could increase the level and duration of payments in accordance with their national systems. Because this basic unemployment insurance fund would assume benefit payments from national systems, national contributions could be reduced to the corresponding extent. Calculations assume that contributions to such a European basic unemployment insurance fund would be around 2 per cent of the gross wage.

A European basic unemployment insurance fund of this kind would relieve the member states of something of the burden imposed in the event of economic downturns. In the face of falling revenues from taxation and social security contributions they would only have to bear part of the increase in spending on unemployment. The remainder would be assumed by the European basic unemployment insurance fund. The goal is thus an economic stabilisation and equalisation mechanism. A European basic unemployment insurance fund could form part of a European economic government (see Section 4.2).

Its introduction has been controversial at the European level within the framework of deliberations on EMU reform since 2012. The European Commission takes the view that a treaty change would be required, although it considers the idea to be a longer-term solution.

Further reading:

Björn Hacker (2011), *Contours of a political union*, FES (ed.), IPA, Berlin.

Klaus Busch (2011), *The corridor model – relaunched*, FES (ed.), IPA, Berlin.

FINE (2013), *Forschungsinitiative NRW: Perspektiven für eine Politische Union: Demokratische Mitgestaltung und soziale Sicherheit*, Düsseldorf.

4.4. Ensuring Sustainability

Severin Fischer and Julian Schwartzkopff

Factoring-in Climate Costs: From Emissions Trading to a CO₂ Tax

The consequences of climate change are already giving rise to real costs for every economy in the world. Extreme weather events, such as storms or floods, but also rising costs for health care systems are becoming an ever greater burden for societies in Europe and elsewhere. The costs resulting from the almost unlimited emission of climate-damaging greenhouse gases have so far been borne by the general public.

In economic terms the environmental damage that has been done concerns external costs that to date have not been internalised by those who caused it. Some scientists deem this state of affairs to be the greatest market failure in history, including Sir Nicholas Stern, former Chief Economist of the World Bank and author of the influential report *The Economics of Climate Change* (Stern 2006).

A number of measures can be taken to alleviate this global market failure. They include classic public regulatory law in the form of obligations or prohibitions; the taxing of greenhouse gas emissions; and – as has been the case for a number of years – the use of market-based instruments, such as emissions trading.

Such instruments are effective in Europe primarily when they are introduced jointly by the EU member states. Otherwise, within a European single market, states that do not introduce environmental standards or only at a lower level can gain an advantage.

While there are still no binding obligations on Europe-wide taxation of CO₂, since 2005 there has been an EU emissions trading system, which was expanded and reformed in the wake of the Climate and Energy Package of December 2008. In 2013 the system commenced its third trading period, which runs to 2020.

The introduction of emissions trading is based on the idea of pricing-in environmental costs.

Climate change as market failure

EU emissions trading

Political decision-making can create an artificial market with scarcity in which companies can trade rights to emit CO₂ with one another.

Because the quantity of available certificates is limited the price rises with increasing demand. Anyone with a plant so large that it comes under the emissions trading system and fails to purchase a certificate while emitting greenhouse gases must reckon on a heavy fine. In relation to the introduction of a CO₂ tax the emissions trading system has the advantage that emissions reductions take place first where they are most cost-effective. Furthermore, emissions trading systems can easily link up with comparable systems in other regions, so that there are additional incentives for establishing a climate policy outside Europe.

Today EU emissions trading encompasses around 45 per cent of emissions in Europe because the scope of the system is limited primarily to electricity generation and industry. Since 2012 it has also included air traffic.

*Advantages of a
CO₂ tax*

Other important sectors, such as transport, agriculture and heat generation have so far been exempt. Smaller establishments are not included either. An EU-wide CO₂ tax could be imposed that covers these establishments, in addition to emissions trading, for example, by a uniform tax of a certain number of euros per tonne of CO₂.

In fact, the European Commission proposed the introduction of a Europe-wide CO₂-based energy tax in April 2011. This would involve a minimum level for the taxation of various fuels in accordance with their CO₂ emissions.

Sectors included in emissions trading would be exempt from the tax to avoid double taxation. The aim is to reduce climate-harmful greenhouse gases in transport, agriculture and buildings; in other words, where there has been less success with regard to climate protection so far than with regard to industry and electricity generation.

As in the case of emissions trading this approach is based on the idea that the indirect damage arising from burning fossil fuels must be borne, at least in part, by those who cause it.

The costs of climate change are unfairly distributed at present because those responsible are, generally speaking, least affected by the negative effects or have sufficient means to make up for the damage.

Fair distribution of the costs

The high costs arising from the consequences of global warming and from structural transformation into a low carbon economy should thus be shared out more fairly. When using revenues from emissions trading or a CO₂ tax, then, it must be ensured that existing inequalities are compensated with regard to consequential damage.

Equalisation must be effected at a number of levels. Within a society people on higher incomes generally generate more CO₂ emissions due to their lifestyles than low earners. In addition to application of the polluter-pays principle, supplementary social measures are needed so that environmental policies do not lead to new inequalities. Thus the authorities must raise public awareness of how energy can be saved and offer low-interest loans to cover the high initial investment in energy saving measures.

Equalisation at several levels

From a global perspective the industrialised world is responsible for the bulk of historical CO₂ emissions. However, developing countries suffer much more from negative climate outcomes, such as droughts or floods.

Europe thus has to take more responsibility and give substantial support to developing countries in relation to climate protection and adaptation to climate change. Financial resources are needed for this that can be raised directly through the pricing-in of climate costs.

The chances of implementing the different reform proposals aimed at increasing internalisation and fairer distribution of climate costs vary. As already mentioned, in contrast to emissions trading, which is already up and running, a Europe-wide CO₂ tax is still in its early stages.

Different chances of realisation

The European Commission has long advocated such measures and there is also a majority in the European Parliament for such a reform approach. In the Council of Ministers, the member states' body, tax issues are subject to unanimity voting, however. To date such a measure has foundered on the opposition of individual member states.

Further reading:

Felix Ekardt (2010),
Soziale Gerechtigkeit in der Klimapolitik, Staat und Zivilgesellschaft 249, HBS
(ed.), Düsseldorf.

Konstantin Bärwaldt
et al. (2009), *Global Emissions Trading. A Solution to the Climate Challenge?*,
FES (ed.), IPA, Berlin.

Bärbel Kofler, Nina
Netzer (eds) (2011),
Klimaschutz und nachhaltiges Wirtschaften. Für ein neues entwicklungspolitisches Leitbild,
FES (ed.), IPA, Berlin.

Nicholas Stern
(2006), *The Economics of Climate Change – The Stern Review*, Cambridge.

Hans Joachim
Schellnhuber et al.
(eds) (2010), *Global sustainability: a noble cause*,
Cambridge.

Sustainable Growth: The Future of GDP

Climate change and the current economic and financial crisis have laid bare the dangers inherent in a lopsided growth model. Against this background it is evident that gross national product (GDP) in its present form as sole indicator of social well-being is obsolete. In order to measure sustainable prosperity environmental and social indicators must also be taken on board.

This realisation is reflected in the 2009 Commission Communication »GDP and Beyond: Measuring Progress in a Changing World«. The Communication envisages the development of a number of sustainability indicators. Pilot versions of two environmental indicators were developed that capture environmental damage both in- and outside the EU.

Together these indicators could be used for a holistic assessment of environmental policy successes in the member states and possible externalisation of environmental damage from the EU in other parts of the world.

An indicator to capture those at risk of poverty or social exclusion in Europe was also developed. It is used as a leading indicator to measure the Europe 2020 strategy's poverty reduction target. Furthermore, the European Statistical System, the Network of the European Statistical Office Eurostat and the statistical offices of the member states have agreed for the first time on a comprehensive set of quality of life indicators, which in future are to be collected regularly.

From a social democratic perspective these developments are certainly to be welcomed. It is an inherent concern of social democrats that social progress and prosperity are not synonymous with economic growth in the traditional sense.

In order to achieve substantive effects, however, these considerations cannot remain limited to indicators. Rather they should have been reflected more closely in strategic aims, such as the European economic and employment strategy »Europe 2020«. As successor strategy to the much too one-sidedly market-liberal Lisbon Strategy, Europe 2020 offers a chance to set a course for sustainable growth in Europe for the next 10 years.

On these foundations the introduction of »climate mainstreaming« into European policy is conceivable. On the basis of clearly defined sustainability indicators

European incentive instruments in all policy areas would have to be reviewed to ensure that they do not counteract Community climate and environmental aims. The practical implementation of such initiatives depends crucially on the member states' political will to reform. The European Parliament and the European Commission have for several years been calling for alternatives to traditional GDP. To date, however, due to substantive differences between the economic strategies of individual member states no agreement has been reached.

4.5. Strengthening the Foreign Policy Profile

Henry Kissinger (*1923) was born in Fürth and is a German-American political scientist and politician. From 1973 to 1977 he was US Secretary of State. He was one of the architects of the US policy of *détente* in the Cold War. In 1973 he received the Nobel Peace Prize.

Former US Secretary of State Henry Kissinger asked around 30 years ago where he should call if he wanted to talk to Europe.

With this question he gave expression to the fact that Europe lacked agreement and a capacity for joint action with regard to foreign policy issues. It was thus not perceived as an actor in the international political system. At the latest since the experiences in the Balkan crisis in the 1990s, when Europe largely failed as a force for international order, the EU states have endeavoured to provide such a joint telephone number.

The development of the Common Foreign and Security Policy (CFSP) was designed to address this demand. However, there are many examples of the difficulties encountered by the member states in granting the High Representative for Foreign and Security Policy, an office established in 2009, the prerogative to answer such calls. As European divisions on the Iraq War, Kosovo and intervention in Libya show, foreign policy efforts are needed if the EU is to be perceived as a united actor.

The goal must be to define the EU's foreign policy profile more uniformly and more clearly. Intervening sustainably and effectively for peace and social justice across the globe is the most important challenge facing EU foreign policy at present from a social democratic perspective. Only in this way can the EU assume the role of reliable partner and global actor in the international system.

Severin Fischer et al. (2010), EU 2020 – Impulse für die Post-Lissabonstrategie: Progressive Politikvorschläge zur wirtschaftlichen, sozialen und ökologischen Erneuerung Europas, FES (ed.), IPA, Berlin.

Hagen Krämer (2009), Wen beglückt das BIP?, FES (ed.), WISO direkt, Bonn.

Marco Giesselmann et al. (2013), Alternative Wohlfahrtsmessung, DIW Wochenbericht 9/2013, Berlin.

This is all the more urgent the more the EU is expected to assume international responsibilities as the largest integrated economic area in the world. In the civil domain the EU is already among the most active players in crisis management. What is lacking is closer cooperation in the military domain.

In order to take global responsibility for peace and security not only civil instruments are needed – in the sense of soft power – but also the possibility as ultima ratio to exert military force. The EU has not had such so-called hard power to date. In order to be able to act militarily it is dependent on the member states' forces. Military integration, however, would not only mean that Europe could handle crises more effectively; it would also permanently prevent renationalisation of security policy.

A European Army

From a social democratic perspective supplementing the EU's soft power must be a foreign policy priority. This is because on one point European citizens are agreed: more Europe at the global level finds broad popular support in all EU countries.

In the history of the European integration process the idea has always been present of joint military action, besides combining economic forces. This has been associated not least with the hope of reducing the potential for conflict within Europe and of curtailing military spending.

A first – and from today's perspective, premature – attempt to get a European defence policy under way was made as early as the 1950s, with the so-called Pleven Plan. The unsuccessful proposal envisaged creating a European army under the command of a European Defence Ministry. Today, now that Europe is integrated in many policy areas, the initial conditions for realising a common defence policy seem to be incomparably better.

In the Lisbon Treaty the member states for the first time created a legal basis for a common defence policy. Furthermore, a European defence agency was to coordinate the member states' armaments policy.

*Early attempt: the
Pleven Plan*

In this context the creation of a European Army has been under discussion for years. As a long-term goal of European foreign policy this includes, among other things:

- the creation of a common European headquarters on a civil-military footing, thus reflecting the comprehensive character of European crisis management;
- the merging or partial merging of member states' national armed and defence forces;
- the creation of a European defence ministry;
- a pan-European market for defence products.

A Europeanisation of national armed forces could save resources and prevent unnecessary overlaps, in particular with regard to matériel. Besides these economic aspects the training of a European army would also have a strong identity-forming effect. The member states would have to reach joint decisions on sensitive issues and speak with one voice. A common strategic presence to the outside world would also have an internal effect.

Long term, a common defence and security policy strategy would influence the member states' political cultures and make Europe as a »community of fate« more tangible. This could sustainably improve the sense of European belonging.

But it is important that every initiative for a European army strives to remain in touch with citizens' concerns and involve them in the debates and planning. The support of the citizens is a crucial basic condition of the democratic legitimation of a European army.

Chances of Realisation

But what are the chances of a European army getting off the ground? Implementation of the proposal would involve a comprehensive change in national defence policies and in the long term would mean that military intervention would be decided at the European level. The EU and within it the High Representative for Foreign and Security Policy would have to have a budget to develop capabilities and sustain operations carried out by the European army. Finally, consensus would have to be reached among the EU states on the priorities of a European security and defence policy.

Regardless of these obstacles a broad spectrum of supporters favour the idea of a European army. The biggest obstacle to its realisation, however, is the member states.

In Germany opposition to the idea of a European army has receded somewhat in recent years. Only the SPD and the Greens expressly favour deeper integration in defence policy, however.

Besides Germany in particular the military heavyweights France and the United Kingdom have a problem with the notion of no longer being able to command their own troops within the framework of a European army. However, their military capabilities would be indispensable in the formation of such an army.

In contrast to the larger states, the interests of smaller countries, such as Luxembourg or Belgium, favour the creation of a European army. They would particularly benefit from more judicious arms spending, accompanied by increased security. Thus these countries, together with Sweden and Finland, are today among the main proponents of a European army.

The Lisbon Treaty represents a good starting point for closer cooperation between the member states in the area of security and defence policy. Security or defence policy progress could be made, for example, through the instrument of »permanent structured cooperation«. Even if no agreement among the member states on a European army is yet in sight this clause offers those member states wishing to move more quickly on defence policy cooperation an option. The revival of such an initiative would strengthen the EU's security policy identity and signal a common desire on the part of Europeans to act together for peace and security.

EU Enlargement Policy: The Debate on Turkish Accession

Another important issue of European foreign policy is EU enlargement. Six enlargement rounds have increased the six original founding states to 28 member states today. And new accession states stand at the ready (Macedonia and Turkey). But where do the EU's borders really lie?

Turkey's first accession attempt took place as early as 1959. While at that time the prospects of accession to the European Economic Community (EEC) were not particularly good, Turkey's chances since the commencement of accession negotiations in October 2005 have improved considerably. The controversy concerning whether Turkey should actually become a member of the EU continues,

Further reading:

Christos Katsioulis et al. (2009), Eine Zukunftsaagenda für die Europäische Sicherheits- und Verteidigungspolitik (ESVP), FES (ed.), IPA, Berlin.

Christos Katsioulis et al. (2010), European Union security and defence white paper. A proposal, FES (ed.), IPA, Berlin.

Ronja Kempin et al. (2011), Strategische Ambivalenz überwinden: Szenarien für die Weiterentwicklung der Gemeinsamen Sicherheits- und Verteidigungspolitik, in: Annegret Bendiek et al. (eds), Entwicklungsperspektiven der EU, SWP-Studie 2011/S 18, July 2011, pp. 70–80.

Turkey's application for EU membership

- 1959 Turkey's application for EEC membership
- 1963 Association Agreement between EEC and Turkey
- 1992 Turkey's accession to the Western European Union (WEU)
- 1996 Customs union between Turkey and the EU
- 1999 Recognition of Turkey as accession candidate
- 2005 Commencement of accession negotiations

however. How does the debate on Turkey stand at the moment?

The arguments of opponents of Turkey's accession include the size of the country, its geographical situation and the cultural and religious differences with existing EU countries.

References to Turkey's sheer magnitude encompass both the population and the country's still rela-

tively weak economic performance. Turkey's 75 million or so people would make it the second largest EU country after Germany, giving it the same proportion of seats in the European Parliament and a strong voice in the European Council.

Based on this fact the opponents of Turkish accession fear that the country could dominate EU bodies. At the same time, Turkey is characterised by a sharp west/east divide.

While the western part of Turkey – in particular metropolises such as Istanbul and Ankara – are industrialised, prosperous and modern, the eastern part of the country is, in places, very poor, undeveloped and overwhelmingly agrarian. For this reason Turkey would need financial support from the Structural and Regional Funds on becoming an EU member, which is considered to be a problem.

To date the biggest and most influential countries in the EU have been net contributors (in billions of euros), the smaller and medium-sized countries net recipients. Turkey would reverse this ratio and thus – according to the opponents of Turkish accession – give rise to an imbalance between power and European (financial) contribution. Thus opponents of Turkey's accession primarily cite economic and political grounds.

In the debate much more weight is given – if not always openly – to cultural and religious misgivings about Turkey's EU membership. Based on the notion that Europe forms a unity founded on geography, history and culture it is argued that Turkey's overwhelming affiliation to Asia means that it cannot be a part of Europe.

FES, International Security Policy Working Group (2012), A Compass for the CSDP, Berlin.

Claudia Major (2012), Viele europäische Soldaten, aber keine europäische Armee, Genshagener Papiere Nr. 10, Genshagen.

Primarily the different cultural-religious roots would preclude Turkey's integration. The main argument thus rests on the idea that Turkey's largely Muslim culture cannot be reconciled with Europe's Judeo-Christian traditions. Sometimes a political argument is drawn from this to the effect that Islam does not distinguish between state and religion and thus a largely Muslim country cannot be entirely democratic. In this context, for example, the repression of women in Muslim countries is often referred to, symbolised by the headscarf.

However, the cultural-religious argument against Turkey's EU accession is based on a problematic assumption. The idea that Europe is characterised by a uniform cultural-religious heritage is merely one interpretation.

Identifying what is European, for example, is a matter of choice, which ultimately can be made in very different ways. European history is also a history of a split between the Jewish and the Christian faiths.

At the same time, Muslim influences are also to be found in European history and culture. One familiar example is the centuries of Moorish rule over the Iberian peninsula.

Furthermore, it is a considerable achievement of the European democratic tradition to have developed a secular understanding of the state, while at the same time fostering the greatest possible tolerance of religions, insofar as they do not contradict civil rights and liberties.

Any definition of a European identity is ultimately a political act and cannot be grounded on quasi-natural, cultural or religious origins.

The argument that the need of large parts of Turkey to catch-up economically would entail high costs and distributional conflicts for the EU cannot be dismissed.

In particular the member states that are currently net recipients in the European Union surely fear that Turkish accession would result in a smaller share of the pie for them.

Net contributors, by contrast, fear that they will have to put their hands even deeper into their pockets. However, there was also distribution policy wran-

gling in the run up to the first eastern enlargement, when it was clear that the resources of the European Structural Fund would be redistributed.

These difficulties that Turkish accession would certainly entail must be balanced by a number of positive considerations. Enlargement to include Turkey would, first, considerably increase the size of the internal market. In particular, countries that export a lot, such as Germany, would benefit.

Another benefit that Turkey's accession would bring is the model and bridging function that it could play for other predominantly Islamic countries.

It would thus provide proof that democracy and Islam go well together. A number of foreign and security policy arguments in favour of Turkish accession also enter in here. On this account Turkey could make an important contribution to stabilising the neighbouring Balkans, Caucasus and Middle East.

After all, Turkey is an important member of NATO and would be an asset for a successful European foreign and security policy in south-eastern Europe and in the Middle East. The EU could thus strengthen its profile as a global actor.

Furthermore, advocates of Turkish accession argue that Turkey represents a substantial guarantor of Europe's energy supply. In the medium term it is likely to become one of the main distribution points for oil and gas (for example, from Turkmenistan, Siberia and Iran) (Seufert 2002).

It should be noted that, ultimately, Turkey's membership remains a political decision.

As early as 1993 the EU laid down criteria on whose basis any new accession must be decided. If a country's accession bid is successful and it is accepted as an accession candidate, the accession negotiations are based on the so-called Copenhagen Criteria.

Turkey as a bridge

The EU's accession criteria

Copenhagen Criteria (1993)

1. Political criteria

- a democratic political order based on the rule of law
- respect for human and civil rights
- respect for and protection of minorities

2. Economic criteria

- a functioning market economy
- the capacity to sustain competitive pressure and market forces within the EU single market

3. EU criteria

- capacity to adopt the so-called »acquis communautaire« of European law
- willingness to take on board the goals of the political and the economic and monetary union
- the EU must be in a position to accept a new member

Within the framework of EU enlargement policy hitherto it was always the case that if a country met the criteria and the accession negotiations resulted in a successful agreement the necessary assent of the member states would be ensured.

The last Copenhagen criterion, according to which the EU must be in a position to accept a new country, is the only one over which the accession candidate has no influence, because it concerns the EU's internal structures.

While this criterion was little discussed within the framework of the first and second rounds of eastern enlargement, it has assumed particular significance with regard to Turkey. This is not least due to experiences with eastern enlargement to include 10 new members, which has given rise to fears that enlargement to encompass such a large country as Turkey will impose too big a burden on the Community and make the EU much harder to govern.

In light of possible Turkish accession the question of EU finality should also be discussed; in other words, the question of what structure and scope the European Union ought to have, not just in the short and medium terms, but also taking the long view.

*Is the EU ready to
take on new
members?*

This is because the probability of deeper political integration lessens with each new enlargement. The more votes are represented in the European Council the more difficult it is to reach agreement.

The path of more flexible levels of integration on the part of individual country groups could result in forms of deeper political integration, however. The notion of a unified political union would thus recede into the far distance, however, if not disappear entirely.

Taking an overall view, it appears that the controversy concerning Turkish accession represents a substantial challenge for European policy. Turkey's EU membership brings such issues as the identity of the EU and its future direction of development onto the table. Against this background it is of major significance.

The question of how Europe's identity can be described has been addressed by Thomas Meyer in his book *The Identity of Europe*. One of its key theses is as follows:

»The modern European identity is not a matter of affiliation to a certain ethnicity, religion or culture, but a certain way of dealing with religion, religiosity and culture in public life. The European idea is based on the separation of church and state, mutual tolerance of religions and faiths and of non-religious worldviews, as well as protection of human rights and respect for civil rights and liberties, regardless of citizens' religious affiliation. European culture is thus above all a political culture based on ways of dealing with cultures and not the belief in the special value of individual religions, cultures and worldviews.«
(Meyer 2004: 228–229)

For discussion:

How would you weight the arguments for and against Turkey's accession to the EU? What is your view of European identity? What are your reasons?

Further reading:
Thomas Meyer
(2004), *Die Identität Europas*, Frankfurt am Main.

Cäcilie Schildberg
(2010), *Politische Identität und Soziales Europa – Parteikonzeptionen und Bürgereinstellungen in Deutschland, Großbritannien und Polen*, Wiesbaden.

Gisela Müller-Brandeck-Bocquet
(2006), *Überlastet ein Türkei-Beitritt die EU?, Dossier der Bundeszentrale für Politische Bildung*, Bonn.

5. COMPARING THE PARTIES' POLICIES ON EUROPE

Jochen Dahm

The importance of party programmes

Basic party programmes do not play a visible role in everyday politics. The media is dominated by debates on people, events and coalitions, individual proposals and tactical questions. Nevertheless, basic party programmes are important, for three reasons (see Krell 2008: 57–59):

- Party programmes portray how a party conceives of itself; in other words, what the core of the party is.
- They offer people who are politically engaged a standpoint in terms of which they can take their bearings.
- Finally, party programmes also provide assessment criteria. A party must constantly measure its actions against the vision it purports to adhere to.

European election programmes of 2009

In this chapter we compare the basic programmes of the CDU, the FDP, the SPD, Bündnis 90/The Greens and The Left party with regard to key policy positions on Europe. Where party programmes leave issues open we look at the programmes drawn up for the European Parliament elections of 2009.²⁸

We shall consider the parties' utterances on the five social democratic European-policy principles presented in Chapter 2: peace, democracy, prosperity, social equality and sustainability. We shall also look at the parties' positions on the selected reform proposals discussed in Chapter 4.

5.1. CDU

In 2007 the CDU adopted a new party programme, entitled »Security and Freedom. Principles for Germany«. European-policy ideas were presented in the chapter »Safeguarding Germany's Responsibility and Interests« under the heading »Europe an Opportunity for Germany«.

²⁸ At the time of writing the election programmes for the 2014 European elections were not available.

General

The CDU portrays a positive image of Europe. It describes European unification as »the biggest political success story of our continent«. As outcomes of this processes they mention »freedom, peace and prosperity« (CDU 2007: 98) »peace, prosperity and security« are cited a little later in the document (CDU 2007: 98). The CDU regards itself as »Germany's European party« (CDU 2007: 97).

The CDU understands Europe to be a »cultural and value-based community«. For them the »Christian image of humanity« (CDU 2007: 97) is part of Europe's heritage and also the »foundation for shaping a common future in Europe« (CDU 2007: 97). Tied up with this, for example, is the recent unsuccessful demand for a reference to God in the Charter of Fundamental Rights. (CDU 2007: 99).

Democracy

The CDU favours strengthening the European Parliament. The Parliament and the European Commission should be on an equal footing with regard to European legislation along the lines of a bicameral system. Furthermore, the Commission President should be elected by the European Parliament. The CDU advocates that European suffrage should be organised on a personal basis. The European parties should »for example, by means of stronger personalisation« contribute to forming a European public (CDU 2007: 99).

Peace

From the CDU's standpoint the European Union's Common Foreign and Security Policy should be embedded »in an integrated security strategy that also encompasses energy and raw materials security« (CDU 2007: 103). Questions of development cooperation are also »an indispensable part of our enlarged understanding of security«, according to the CDU (CDU 2007: 104).

The CDU regards the European Union, on the basis of European experiences in establishing a regional structure for peace, as an attractive partner for other world regions. However, it also advocates »options for military action in its own right« for the EU (CDU 2007: 104) and favours »common European military forces as a long-term goal« (CDU 2009: 9). The CDU rejects Turkish accession to the EU.

A positive perception of Europe

Strengthening the European Parliament

»Integrated security strategy«

*Reference point:
social market
economy*

Social Equality

On the first page of its basic programme the CDU describes Europe as »united in peace and freedom, economically strong, socially-oriented and ready to take on more responsibility in the world« (CDU 2007: 3).

In the section on Europe it uses the term »social« in connection with »social market economy«,²⁹ which it also recommends as an economic and social model for the European Union. Within that framework »minimum standards« should be established for the social domain »that enable fair competition, reduce the divergence of competitiveness within the European Union and do not overburden any member state« (CDU 2007: 104). However, the CDU does not address workers' rights specifically under the heading of Europe.

Prosperity

For the CDU, the social market economy is the key to increasing prosperity. The party regards the EU as a »successful model for enabling open markets and competition to work for the benefit of all while at the same time preserving national identities and observing legal, social and environmental standards« (CDU 2007: 51).

The Christian Democrats stress the importance of further development of the Single Market, although they are also adamant that its benefits should »not be diminished by overregulation« (CDU 2007: 102). In economic terms, the CDU regards Europe as a response to globalisation »because it strengthens us in international competition« (CDU 2007: 102). The party emphasises the need for »global competitiveness« (CDU 2007: 102) and regards the European Union as facing the challenge of »holding its own on world markets« (CDU 2007: 102).

The notion of economic government or harmonisation of corporate taxation is not taken up in either the basic programme or in the manifesto. The CDU rejects giving the EU its own source of finance in the sense of an EU tax (CDU 2007: 98; CDU 2009: 9).

²⁹ For the approach to the welfare state of the CDU and the other parties see also Reader 3 *Welfare State and Social Democracy*, Chapter 6, and on the term »social market economy« see Reader 2 *Economics and Social Democracy*, Section 3.2.

Sustainability

Within the framework of its approach to the social market economy the CDU advocates minimum standards not only in the social realm but also in the environmental one (CDU 2007: 102). It regards the European Union as the »best response« to the challenges of climate change (CDU 2007: 98). With regard to sustainability the CDU particularly emphasises the issues of energy security. For the CDU these are linked primarily with foreign and security policy issues.

Minimum standards

5.2. FDP

On 22 April 2012 the FDP adopted a new basic programme in Karlsruhe. Its title is »Responsibility for Freedom. The FDP's Karlsruhe Theses on Freedom for an Open and Civil Society«. In 101 theses it lays down the Liberals' basic ideas.

General

The FDP groups theses 89 to 101 under the heading »For a liberal Europe in the world«, within which it describes its foreign and European policy principles. The FDP refers to Europe very positively overall and declares that »Europe for us Liberals is part of our cultural identity, a back-stop for our freedom and, at the same time, a necessity if we are to be able to stand up to global competition« (FDP 2012: 92).

Positive view of Europe

The Liberals take a positive view of the development of the European Union hitherto and have the following to say about its future goal: »At the end of this development a European federal state should emerge legitimised by referendums in the member states« (FDP 2012: 95).

Goal of a federal state

The FDP links this vision to a strong emphasis on the subsidiarity principle and proposes, among other things, the introduction of a European subsidiarity court (FDP 2012: 96).

In the preamble to its 2009 manifesto the FDP spoke of the »power of sticking to the essentials« (FDP 2009: 2), which it later expressed more concretely: »the EU's key task is to ensure the functioning of the market with minimal legislation that ... does not burden our economy« (FDP 2009: 9).

Ensuring the functionality of the market

*Strengthening
parliament*

Democracy

The FDP welcomes the Lisbon Treaty and also advocates an EU constitution. It favours strengthening both the European Parliament and national parliaments. More specifically, it backs, among other things, a right of initiative for the European Parliament, a Europeanisation of European electoral law, cross-border election lists and the direct election of the Commission president (FDP 2012: 96).

Peace

The FDP calls for the further development of the EU's Common Security and Defence Policy in order to »strengthen the vision of a Europe that takes responsibility for common peace, freedom and security« (FDP 2012: 98). Above all it advocates stronger links – so that »the EU can speak consistently with one voice in relation to the outside world« (FDP 2012: 95) – and also common European military forces (FDP 2012: 96).

With regard to enlarging the European Union the FDP says: »The European Union remains open. We see the enlargement of the European Union as a big opportunity, as long as candidates are ready for accession and assimilable to the European Union« (FDP 2012: 94).

Social Equality

In the section »Social Europe« of its 2009 election manifesto the FDP addresses the question »what should Europe do?« and advocates a »social Europe on market-economic foundations«. The FDP's key term here, too, is the »social market economy«, combined with the assertion that »if it creates jobs, it's social« (FDP 2009: 14).

The FDP rejects stronger centralisation of social policy. As an example it mentions the, in its view, unsuccessful extension of the EU anti-discrimination directive and comes to the conclusion that »well-meaning proposals to improve social policy at the EU level lead straight to paternalism and levelling-down« (FDP 2009: 14). The FDP does not deal with workers' rights in its 2009 election manifesto. In its basic programme the term »codetermination« occurs once in a heading, but details are not forthcoming. Here, too, the FDP primarily evokes the term »social market economy« and its interpretation of what that means (FDP 2012: 95, 78–89).

*Consistently with a
single voice*

*Reference point:
social market
economy*

Prosperity

In its basic programme the FDP advocates »strong coordination of economic, environmental, financial and monetary policy«. This includes, among other things, a completed Single Market. Accordingly, in its 2009 manifesto the FDP viewed with concern »efforts to constrain Europe’s free market economy« (FDP 2009: 9).

The FDP rejects economic government, as well as an EU tax, of any kind (FDP 2009: 8). It does not address the issue of corporate tax harmonisation.

Sustainability

Sustainability is addressed in the FDP’s basic programme in connection with a reorientation of the European Union’s agricultural policy. In the 2009 election manifesto the FDP praises the EU’s high environmental standards. In the same paragraph, however, the FDP advocates that the EU should »substantially reduce the level of regulation« and, a little later, uses the slogan »control bureaucracy« (FDP 2009: 18). The manifesto’s key dictum concerning sustainability is: »The FDP wants a European environmental policy with more market and self-responsibility« (FDP 2009: 18).

5.3. SPD

The SPD adopted its basic programme in Hamburg in 2007. The section on Europe is entitled »Social and Democratic Europe«.

General

The SPD offers a positive view of Europe. It backs Europe as early as the second paragraph of the Hamburg programme: »Social Europe must be our response to globalisation« (SPD 2007: 5).

The SPD describes Europe as a »peace project«, but also as a »democratic and social community of values«, which links »economic progress, social equality and individual freedom« with one another (SPD 2007: 26).

Concern that the market economy is being constricted

»Control bureaucracy«

Europe: Response to globalisation

»Dare more European democracy«

Democracy

The Social Democrats want to »dare more European democracy«. In line with this they want to strengthen the European Parliament. Thus the SPD supports, for example, the idea of a right of initiative for the European Parliament and calls for the election of the Commission president by the European Parliament. The SPD stresses that »European democracy needs a European public« and wants to make a contribution to this by, among other things, further developing the Party of European Socialists (SPD 2007: 27).

Peace

The SPD regards Europe as a »force for peace«, whose strengths lie in »diplomacy, dialogue and support for democracy and human rights, also through aid for economic development in conflict regions« (SPD 2007: 30).

At the same time, it calls for closer cooperation between member states' armies and, over the long term, for a »European army whose deployment must be legitimised by parliament« (SPD 2007: 30). The SPD strongly supports Turkey's accession to the European Union.

Europe as a »force for peace«

Social Equality

Social Europe has a central place in the SPD's policy on Europe. The SPD advocates that »the European social union should be on an equal footing with the Economic and Monetary Union« (SPD 2007: 28). It calls, among other things, for a European stability pact, cross-border codetermination, a strengthening of free collective bargaining and free access to high quality public services (SPD 2007: 29).

Reference point: social Europe

Prosperity

The Social Democrats favour a »growth- and employment-oriented coordination of economic, financial and monetary policy« (SPD 2007: 28). With regard to corporate taxation they back Europe-wide minimum rates and a uniform basis of assessment.

In its European election programme the SPD emphasises that »economic cooperation and trade in the European Single Market have also played a decisive role in increasing people's prosperity in Europe« (SPD 2009: 1). It also advocates that, long term, the European Union be given its own revenue source (SPD 2009: 7).

More coordination

Sustainability

For the SPD it is crucial that »where the nation-state no longer lays down a social and environmental framework for the markets, the European Union must do so« (SPD 2007: 26).

One consequence of this is its advocacy of an ambitious EU environmental policy. One key SPD proposal is an »environmental industrial policy that brings together the economy, employment and the environment« (SPD 2007: 10). The SPD favours an EU energy foreign policy. Within Europe it backs withdrawing from nuclear power in favour of renewable energies.

5.4. BÜNDNIS 90/THE GREENS

The Greens' basic programme »The Future Is Green« dates from 2002. It is by far the most comprehensive of all the party programmes. The party's Europe-policy positions are presented under the heading »Towards Europe and One World«.

General

The Greens, too, regard European integration as a success. They talk of an »unprecedented period of peace and prosperity« (Bündnis 90/The Greens 2002: 144). Its European objective is a »Europe of democracy, sustainability and solidarity, which represents a socially just and environmental policy both internally and externally« (Bündnis 90/The Greens 2002: 144). For the Greens, too, Europe is a response to globalisation. The Greens stress that »on its own, no nation-state can influence globalisation« (Bündnis 90/The Greens 2002: 143).

Democracy

In their 2002 programme the Greens call for an EU constitution in order to overcome the European democratic deficit. From the Greens' standpoint the Commission president should be legitimised by direct election or election in the European Parliament (Bündnis 90/The Greens 2002: 153). In their 2009 European election manifesto the Greens come out in favour of the Lisbon Treaty and repeat their call to strengthen the European Parliament (Bündnis 90/The Greens 2002: 22, 132).

Market failure

Europe a success

*Strengthening the
European Parliament*

The demand for a right of initiative for the European Parliament is made in eight lines of the 170-page programme, between the sections »A privacy seal for more security« and »Implementing a rational drug policy in the European Union«.

Peace

For the Greens peace is a key reason for European integration. They argue that »Europe has the chance to ensure permanent peace on the continent and to make a significant contribution to world peace« (Bündnis 90/The Greens 2002: 144).

The Greens make a number of proposals on European peace policy. For example, they suggest establishing a European peace agency or creating a European »civil peace service« (Bündnis 90/The Greens 2009: 162–65).

Their fundamental demand is the »reduction of military potential« (Bündnis 90/The Greens 2002: 16). The election manifesto, for example, states that »the European Union should not be an imperial military power to secure resources, but remain a civil power« (Bündnis 90/The Greens 2009: 163).

At the same time, the Greens speak of a »re-evaluation of the military«, on which the majority of the party finally agreed (Bündnis 90/The Greens 2009: 149). While in the election manifesto the notion of a European army is not mentioned the basic programme talks of »integrating ... military alliances and national armies in European structures« and of the European Union preparing to »support UNO operations« (Bündnis 90/The Greens 2002: 159, 160). The Greens want to »help Turkey on its path to the EU« (Bündnis 90/The Greens 2009: 149).

Social Equality

In their basic programme the Greens advocate that »social values and environmental conservation be established on an equal footing with economic matters« (Bündnis 90/The Greens 2002: 157).

In their election manifesto, for example, they talk of a social pact, the embedding of social rights in the Charter of Fundamental Rights, minimum wages, the strengthening of European works councils and the idea of European unemployment insurance (Bündnis 90/The Greens 2009: 75–86).

*An opportunity for
lasting peace*

*»Re-evaluation of
the military«*

*Social dimension on
an equal footing*

Prosperity

The Greens advocate a »New Deal« to ensure that prosperity is maintained also in the future. A key component of this is a »concentrated social-environmental investment programme« intended to give Europe new impetus (Bündnis 90/The Greens 2009: 97).

The Greens favour closer economic integration, which they express as follows: »a common currency can work in the long term only if member states' economic policies are also coordinated« (Bündnis 90/The Greens 2009: 102). They emphasise, however, that this can succeed only if political governance functions at the same level (Bündnis 90/The Greens 2009: 102).

The Greens favour a European financial turnover tax whose revenues would flow mainly to the EU budget (Bündnis 90/The Greens 2009: 103).

Sustainability

Environmental protection, clearly, is the Greens' main issue. In their basic programme they declare, among other things, with regard to Europe: »Community regulations on climate protection, resource conservation and environmental sustainability must be benchmarks for all policy areas« (Bündnis 90/The Greens 2002: 157). The environment, energy and climate issues are also central to the election manifesto. The Greens portray themselves in it as »pioneers of climate protection and sustainable energy policy« (Bündnis 90/The Greens 2009: 2).

Among their proposals there is, for example, a demand for a trailblazing role for the EU in international climate protection, an improvement of emissions trading, a boost to renewable energies and more energy efficiency (Bündnis 90/The Greens 2009: 29–45).

Reference point:
»New Deal«

The Greens' key issue

5.5. The Left (Die Linke)

*Basic programme
of 2011*

The party »Die Linke« (The Left) that emerged from the WASG and the PDS adopted its party programme – confirmed by a vote of the members – on 23 October 2011 in Erfurt. It superseded the »programmatic founding document« of March 2007.

The Left party's programme has five sections. In a preamble the party presents its history. Section 2 is devoted to the »crises of capitalism«, Section 3 to »democratic socialism in the twenty-first century« and Section 5 to strategic issues. In Section 4 the party describes »left-wing reform projects – steps to reorganise society«. This contains a subsection entitled »How do we want to reorganise the European Union? Democracy, welfare state, ecology and peace« (pp. 66–68).

General

The Left's view of Europe is primarily critical. In contrast to the other parties it does not describe it as a project or an idea but states: »The European Union is for The Left an indispensable level of political action« (Die Linke 2011: 66). Although it praises the achievement of the EU »whose founding at one time contributed to ensuring peace between the EU member states«, it characterises it also as »motor of neoliberal reorganisation« (Die Linke 2011: 20).

It concludes, accordingly, that »The European Union needs a new start with complete revision of the basic elements of its primary law, which are militaristic, undemocratic and neoliberal« (Die Linke 2011: 6).

Democracy

The Left explains: »We want a European Union with a strong European Parliament and transparent decision-making processes in all European institutions and with more direct participation of citizens« (Die Linke 2011: 67).

They favour an independent right of initiative for the European Parliament, on one hand, and extended control and participation rights for national and regional parliaments, on the other (Die Linke 2011: 46). The party also calls for compulsory referendums on the European treaties (Die Linke 2011: 46–47). The Left describes »establishment of rights to overrule national budgets« as a danger to democracy in Europe (Die Linke 2011: 66).

*»Motor of neoliberal
reorganisation«*

*Strengthening the
European Parliament*

The Commission and the Commission president should, according to the party's 2009 election manifesto, be elected by the European Parliament (Die Linke 2009: 16). The Left rejects the Lisbon Treaty (Die Linke 2011: 66).

Peace

The Left describes its vision of European foreign policy as follows: »We want a peaceful European Union that proscribes war within the meaning of the UN Charter; which is structurally incapable of launching attacks and devoid of weapons of mass destruction; and that renounces both the expansion of military forces and global military operational capability, as well as global military deployments«.

The Left regards current EU policy as follows: »[T]he EU is trying, increasingly aggressively, to reinforce its position in the global tug-of-war for power, influence and natural resources. Wars, including pre-emptive wars of aggression, are once more regarded by the powers-that-be in the United States, NATO and the EU as suitable policy instruments« (Die Linke 2011: 26).

The party thus reproaches these organisations and their member states with the »destruction of Yugoslavia« and »aggression against Afghanistan and Iraq« (Die Linke 2011: 26). In its 2009 election manifesto The Left reproaches the EU as follows: »EU policy is increasingly oriented towards the imperialist assertion of the interests of capital.« (Die Linke 2009: 23).

Social Equality

In its 2009 election manifesto The Left argues that the EU's economic, social and environmental policies are determined by the »profit-seeking of big companies, banks and financial funds« (Die Linke 2009: 6). They thus call for »the restoration, preservation and further development of the welfare state, which was hard won in the member states in conflicts between capital and labour« (Die Linke 2009: 12).

As a positive goal it formulates in one paragraph out of twelve in its basic programme that begin »we want...«: »we want a European Union without exclusion and poverty, a European Union in which well-paid and socially insured work and a life in dignity for all are ensured« (Die Linke 2011: 67). Specifically, they back a social progress clause, among other things.

»Incapable of launching attacks«

Defending the welfare state

»We want...«

*Replacing the
Stability and
Growth Pact*

Prosperity

The Left demands the establishment of an EU-wide minimum tax rate for company profits and more public investment and wants to replace the Stability and Growth Pact with a »pact for sustainable development, social security and environmental protection« (Die Linke 2012: 67).

»Systemic change«

The party's »unique selling point« is its demand that the legal basis of the European Union be »neutral with regard to economic policy« (Die Linke 2012: 67), which is in line with the party's demand elsewhere in its programme for a »systemic change« (Die Linke 2012: 5), which clearly means the rejection of capitalism, although the alternative remains unclear.

In its 2009 election manifesto The Left also calls, among other things, for a financial transaction tax and an extension of EU competences with regard to taxation (Die Linke 2009: 9).

Sustainability

As already mentioned, The Left has demanded that the European Union replace the Stability and Growth Pact with a new pact that includes environmental protection. In its European election programme the party argues more specifically for a transformation of the energy system in the direction of renewable energies and more energy efficiency (Die Linke 2009: 12). The party believes that emissions trading has failed as an instrument in the fight against climate change. The Left concludes that »climate protection may not be given over to a market that is profit-oriented, undemocratic and prone to crisis« (Die Linke 2009: 12). It thus advocates »radical regulatory intervention in the energy economy« and »environmentally-weighted energy and resource taxes« (Die Linke 2009: 13).

*Including
environmental
protection*

5.6. Summary

If one compares the parties' programmes with the five European-policy principles a first glance indicates that all five parties are basically pro-European. Only The Left differs in this respect with its fundamental criticisms of the current state of the EU.

When it comes to their emphases and formulations of issues, however, the parties have markedly different ideas on how Europe should be shaped in the future.

Concerning their positions on the democratic organisation of the European Union and the issue of foreign policy there are considerable overlaps between the CDU, Bündnis 90/The Greens, the SPD and the FDP. The Left represents something of a mixed bag. Although they raise demands for a democratisation of the EU, their programme is replete with reproaches directed towards it.

When it comes to the shaping of the European Union with regard to the principles of social equality, prosperity and sustainability, however, the lines of demarcation run rather differently.

On one hand, there are the FDP and the CDU. Their proposals reflect primarily the notion of the European Union as an economic union, both parties conceptually linking this with the social market economy. The FDP's understanding of the social market economy, however, is much more market-oriented, as the following quotation shows: »The core task of the EU is to ensure the functioning of the market with a minimum level of legislation« (FDP 2009: 9).

The SPD, Bündnis 90/The Greens and The Left, by contrast, regard issues of growing prosperity as connected with social equality and sustainability.

Thus they also take a different approach from the CDU and the FDP to workers' rights and favour economic government at the European level. We shall look at how these current policy positions fit into the German debate on Europe historically in the next chapter.

*Democracy:
considerable
overlaps*

*CDU and FDP:
the EU as an
economic union*

*SPD, Greens, Left:
prosperity, social
equality and
sustainability*

6. DEBATES ON EUROPE: GERMANY, UNITED KINGDOM, FRANCE, POLAND AND GREECE

*Christian Krell, Cécilie Schildberg and Kaki Bali*³⁰

How is Europe discussed?

Further reading:

Christian Krell (2009), Sozialdemokratie und Europa. Die Europapolitik von SPD, Labour Party und Parti Socialiste, Wiesbaden.

Cécilie Schildberg (2010), Politische Identität und Soziales Europa – Parteikonzeptionen und Bürgereinstellungen in Deutschland, Großbritannien und Polen, Wiesbaden.

Nicole Katsioulis and Christos Katsioulis (2013), Neue Koalition – alte Probleme. Griechenland nach der Regierungsbildung, FES (ed.), Berlin.

How is policy on Europe discussed in other countries? Further investigation of this question yields a number of surprises. For example, in the United Kingdom policy on Europe often gives rise to passionate discussion. It is frequently a matter of all or nothing and in European-policy debates the future of the country as an independent state is often an issue. European-policy issues have already ended the careers of several prime ministers. Entry to the euro is strongly rejected and exit from the EU periodically comes under serious discussion.

In France, too, there are often passionate debates on the future of Europe. With reference to the unique history of the »grande nation« it is asked how much Europe can be achieved without giving up too much national sovereignty in exchange. At the same time, at times France has strongly favoured European integration. It is one of the founding countries of the European communities (EC) and has promoted many European-policy initiatives. France came out in favour of a common European currency early on.

European-policy debates in Germany tend to be more sober. For decades Germany has been Europe's star pupil, committed to further integration. Popular assent to European integration was high. Germany agreed to participate in the euro also in the interest of deeper political integration. In the meantime Europe has become much more of a contested issue in the German debate and assent to integration is no longer as broad as it was in the early 1990s. An expressly Eurosceptical party has also emerged.

Since Poland's peaceful revolution in 1989, when it freed itself from the Soviet yoke, there has been remarkable continuity with regard to EU issues, with the exception of the years 2005 to 2007. Even with numerous changes of government, especially in the 1990s between post-Communists and representatives of the Solidarność camp, nothing changed with regard to the broad consensus

³⁰ On Germany, the United Kingdom and France see Krell (2009), on Poland see Schildberg (2010) and on Greece see Katsioulis and Katsioulis (2013).

on Poland's alignment with the West, rapid accession and strong approval of the EU. Popular support for Europe remains high.

Greece was one of the Europhile member states from its entry in 1980 to 2010. However, the so-called euro-crisis, the negotiations with the Troika (European Commission, ECB and IMF) on the austerity packages and the recent austerity policy, together with economic collapse, have fundamentally changed the debate in Greece. Although pro-European views continue to predominate voices critical of Europe have gained considerable support.

How have such different evaluations of Europe developed in countries that in principle are so similar? Whence do such differing interests derive? What are the special reasons underlying the respective positions on European policy? It is important for those interested in and committed to European policy to clarify these problems. Only then will one be able to fully understand and categorise a country's European-policy orientation and address it adequately.

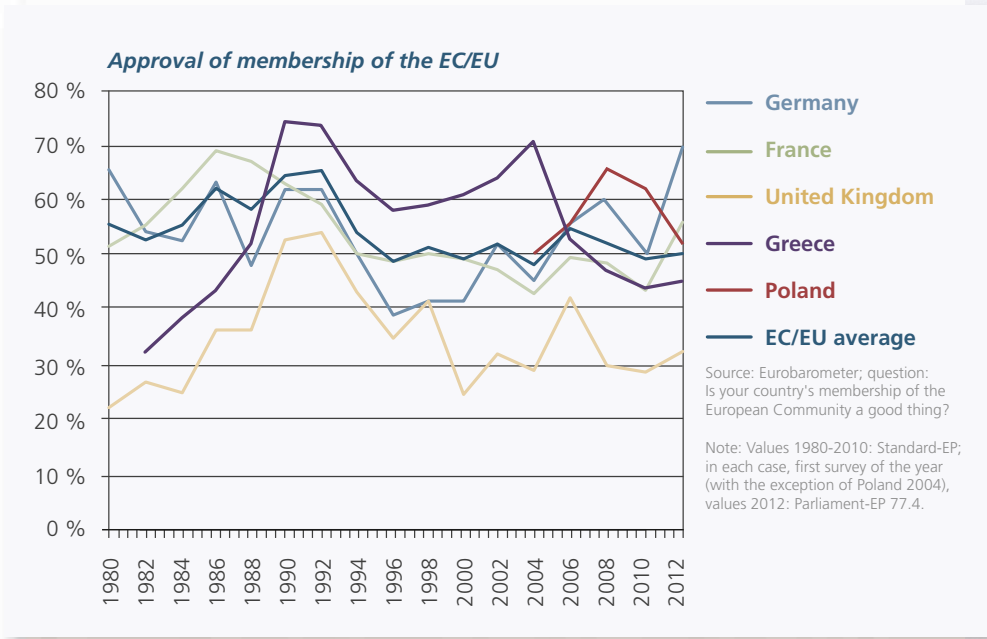


Figure 14: Approval of membership of the EC/EU

6.1. Germany

*Clear
constitutional
mandate*

The Preamble of Germany's Basic Law – or constitution – formulates it clearly: the German people is »inspired by the determination to promote world peace as an equal partner in a united Europe«. Such a close foreign-policy orientation towards Europe – stated more precisely in §23 Basic Law – is unprecedented in international comparison and not found in any of the other countries examined here. This clear constitutional commitment has been accompanied by a strong and constant commitment to European policy by all German governments since 1949. In this way the Federal Republic of Germany developed into an »integration locomotive« (Wesel 2004: 66). Of late, the locomotive appears to be running out of steam, however.

*Cooperation
with France*

Accordingly, Germany has frequently come out in favour of deepening and further developing European integration, often in cooperation with France. The two countries have time and again played a trailblazing role in the European integration process, giving rise to the notion of a »Franco-German motor« driving integration.

In the wake of German reunification controversy arose both domestically and abroad concerning a possible reorientation of German policy on Europe. While in other countries – especially France and the United Kingdom – worries emerged concerning a new German desire for hegemony, some commentators within Germany called for a new self-awareness about Germany's European policy. However, German policy long countered these worries with a strong commitment to deepening European integration and the reunified Germany's close involvement as an equal member of the EC/EU.

*Different
conceptions
of roles*

Only in the context of the European refinancing crisis since 2009 has this enduring consensus become fragile. Volker Kauder, then leader of the CDU parliamentary group, demanded in 2011 that Germany take a new leadership role in Europe and emphasised it with the remark that »German is being spoken in Europe again«. (Kauder 2011: 2) In contrast, former German Chancellor Helmut Schmidt declared at a SPD party conference in 2011 that:

»If we Germans are tempted, based on our economic strength, to claim a political leadership role in Europe or at least to be *primus inter pares* an increasing majority

of our neighbours will actively resist it. The worries of the periphery concerning too strong a centre in Europe would rapidly return. The probable consequences of such a development would cripple the EU. And Germany would fall into isolation. The great and highly successful Federal Republic of Germany needs – also for protection against ourselves! – to be embedded in the European integration process (...).« (Schmidt 2011)

Why was Germany so strongly committed to European integration for decades? Three German interests provide an answer: national sovereignty, stable security policy conditions and markets for the export-oriented German economy. In Europe's founding phase Germany's participation in the European project enabled it to regain its national sovereignty only a few years after the devastation of the Second World War and control of Germany by the allied powers. Germany's involvement in the Western alliance and the EC also served security-policy interests.

It was not least security-policy considerations that shaped German's strong support for the accession of the central and eastern European states. The aim was thereby to stabilise central and eastern Europe, many of whose states border Germany.

From an economic perspective, too, European unification represents a key German interest. Even in the early years of integration the common market proved remarkably beneficial for the German economy because it ensured German industry a stable export area. The largest part of German foreign trade is still with the member states of the European Union.

The basically pro-European orientation of German policy has largely been shared by all governments to date. This may also be because European-policy issues have often enjoyed a political consensus. Most political actors are in agreement.

This is due not least to Germany's political system. Its federal structure, the tendency towards coalition governments and interwoven decision-making processes mean that Germany has many so-called »veto players«. Any of them – for example, minority parties in the coalition, the Bundesrat or the by international comparison very strong Federal Constitutional Court can halt or scupper a law. Thus when it comes to decisions that require broad agreement a consensus is often sought. This has frequently been the case with regard to foreign and European policy in Germany.

In recent years, however, the European-policy debate has become more heterogeneous. During the refinancing crisis engulfing European states a number of tabloid newspapers churned out populist headlines directed at the distressed countries of southern Europe («bankrupt Greeks»). The political arena was not free of such populism, either. Besides the established parties the »Alternative for Germany«, a markedly eurosceptical party, only just missed out on getting into Parliament in 2013.

Nevertheless, popular approval of European integration remains high: 68 per cent of Germans regard EU membership positively and only 7 per cent negatively; 61 per cent consider that Germany benefits from membership. By European comparison approval ratings for membership are exceptionally high (Eurobarometer 2013b: 2).

6.2. United Kingdom

*Europe a
perennial issue*

»Europe, the issue that wont go away«: this was a recent headline in a British newspaper, referring to the constant re-emergence of the issue in the UK political landscape. Debates on European integration are often passionate in the United Kingdom and opponents and supporters are apparently irreconcilable.

The United Kingdom initially decided not to participate in European integration. In his famous Zürich speech Winston Churchill welcomed the unification of Europe as significant and important, but emphasised that Great Britain would not be part of it. The United Kingdom at that time asserted two other spheres of interest besides continental Europe, namely relations with the United States and with the Commonwealth states. It did not want to jeopardise relations with these spheres of interest by too strong a commitment to Europe.

*Accession
only in 1973*

Only in 1973, after it had lost political and economic importance, while the EC had enjoyed growth, did the United Kingdom become a member of the EC. In the following years at times it has proved to be a difficult partner. Three basic orientations were clearly evident: rejection of supranational integration with surrender of sovereignty, preference for purely economic integration in the form of a free trade zone and a constant commitment to enlargement of the EC and then the EU.

These positions were often asserted with a vehemence to which the continental negotiating partners were unaccustomed. One example of this was the demand for a rebate on the British contribution to the European budget, made by Prime Minister Margaret Thatcher in the mid-1980s. She bluntly declared: »I want my money back.« Although she had only limited success with this, her attitude shaped the European partners' view of the United Kingdom for years to come.

The election of Tony Blair as British prime minister in 1997 ushered in a more positive relationship between the United Kingdom and continental Europe. A number of derogations from the European treaties negotiated by the previous Conservative government were now lifted. For example, the European Social Charter of the Maastricht Treaty, rejected by Conservative prime minister John Major, would henceforth apply to British citizens, too. Entry to the euro, however, was never seriously considered.

Since the coming to power of the Conservative/Liberal Democrat coalition under David Cameron in 2010 the tone of the British debate on Europe has become shrill once again. A growing number of Conservative MPs are calling for Britain's exit from the European Union. The coalition government, whose Liberal element favours European integration, has thus far prevented the more extreme aspects of the increasing euroscepticism among Conservatives from being reflected in government policy.

The Tories' (another name for the Conservatives in the United Kingdom) eurosceptic stance is influenced not least by the seemingly inexorable rise of their only real right-wing rival, the United Kingdom Independence Party (UKIP). Britain's first-past-the-post electoral system means that UKIP is unlikely ever to gain too many parliamentary seats, but its increasing success in the opinion polls and open hostility to Europe have changed the Europe debate significantly. Given the circumstances, the Conservatives have promised – in the event of their re-election, at the latest in 2017 – a referendum on British membership of the EU.

The United Kingdom's position can be explained by the country's particular interests. In contrast to France, for example, it benefits much less from European agricultural policy. The creation of a single market, too, was less important for a country more oriented towards trade with the Commonwealth states than, for example, for Germany, which exports substantially to its European neighbours.

Nevertheless, the United Kingdom has always favoured further development of the European single market. Political integration – as pursued by, for example, Germany and France, among other things, because of their direct experience of the two world wars – has never been a British goal. On the contrary: an emphasis on national sovereignty is a constant component of British Europe policy.

The United Kingdom's political culture is another important feature shaping British attitudes to Europe. Because of the country's geography, but also its historical experiences, one often hears references to its »splendid isolation«. Many British people do not feel part of the continent of Europe. The phrase »them and us« provides a good illustration of the relationship between the United Kingdom and the European mainland (cf. Volle 1992: 185).

National sovereignty is much more of a priority than supranational European integration. The UK political system also gives rise to more differences than similarities between the United Kingdom and Europe. While Great Britain is characterised by a very clear decision-making structure – first-past-the-post general election, centralistic state and largely a two-party system – decision-making paths in the EU are often complex, prolonged and difficult to fathom.

It thus comes as no surprise that approval of the European integration project is weak among the British population. Only 33 per cent of British citizens would describe their membership of the EU as positive; 41 per cent believe that their country has benefitted from EU membership, but 50 per cent take the opposite view. In Europe, these values are 54 per cent (benefit) and 37 per cent (disadvantage) (Eurobarometer 2013c: 2).

6.3. France

»Faire l'Europe sans défaire la France« (»do Europe without undoing France«) – this was one of Lionel Jospin's themes in the 2002 presidential election. On one hand, this is clearly the utterance of a French socialist; on the other hand, it can be taken to exemplify France's policy on Europe in general. Ultimately, France has always sought to bring about as much European integration as possible while giving up as little national sovereignty as possible.

*Approval of
Europe weak*

*Goals: integration
and independence*

One issue was central from the very outset. After the experience of two German invasions within a few decades France was determined to avoid any possible future threat from Germany. Thus France sought Germany's committed integration, which at the same time represented the first institutional steps in the direction of European unification.

The names of those associated with the main integration projects of the period point to France's significance during the early days of European integration:

Robert Schuman (1886–1963), together with Jean Monnet (see p. 40), is one of the »founding fathers« of European unification. Schuman was, among other things, French Prime Minister and Foreign Minister, later also President of the European Parliament. With the Schuman Plan he played a crucial role in the creation of the European Coal and Steel Community (ECSC).

Robert Schuman and Jean Monnet as representatives of the European Coal and Steel Community (ECSC) or René Pleven (see the »Pleven plan« Section 4.5) as a creative mind behind a European defence community.

However, French policy on Europe lost considerable steam when Charles de Gaulle became president of France in 1958. His ideas on the French nation, national sovereignty and French aspirations to be a world power led to French rejection of a number of European integration projects.

For example, de Gaulle rejected, with his »empty-chair policy« (see Section 3.1), supranational development of the European Economic Community (EEC). Later on, the presidencies of Valéry Giscard d'Estaing and François Mitterrand brought new impetus to French policy on Europe. Giscard d'Estaing, for example, established the European Council in close agreement with Germany, especially under Helmut Schmidt. The first direct election to the European Parliament in 1979 was also due to close Franco-German cooperation.

The first socialist president of the Fifth Republic, François Mitterrand, continued this close Franco-German cooperation from 1981. During his presidency his European-policy track-record was remarkable, which earned him the appellation »père de l'Europe« (father of Europe) (Axt 1999: 476).

The adoption of the Single European Act in 1986, for example, was decisively influenced by him. Mitterrand's conviction was that Europe must have not only

*Decisive figures:
Schuman, Monnet*

an economic, but also a social imprint, if it was to stand the test of time: Europe must be socialist or it will not be at all: »L'Europe sera socialiste ou ne sera pas« (Mitterrand 1978).

Franco-German relations were put to their first serious test by German reunification in 1989/90. France's primal fear of a large and overmighty Germany was revived. The problems were overcome by deepening integration, however, which calmed fears of Germany going it alone. Over the next two decades a clear commitment to European integration – while preserving national identity – was a persistent element of French policy.

Background

France's advocacy of European integration can be traced back to clear national interests. Besides its interest in living in peace with its large neighbour on the other bank of the Rhine, France has been able to use European integration to punch above its weight, politically, worldwide. After losing its colonial empire and during the Cold War between the United States and the USSR it became clear that France would be able to exert influence over international politics only together with other European countries.

Economic interests are also important for France's stance in Europe. French agriculture, for example, benefits considerably from European agricultural policy and the share of EU states in France's foreign trade is over 60 per cent.

The manner in which European-policy interests are defined in France depends largely on the ruling president. The text of the constitution and the constitutional practice of the Fifth Republic give the president far-reaching authority and decision-making power. This state of affairs is not – in contrast to Germany – constricted by substantive participation on the part of regional or federal structures.

Strong approval for a long period

In France, approval ratings with regard to European integration were long above the European average. The country seemed to have managed to combine national identity and a pronounced national sentiment with approval of European unification. In the early 1990s, however, a marked disillusionment set in.

2005: defeat in the referendum on a European constitution

The pro-Europeans won a referendum on the Maastricht Treaty in 1992 only by the skin of their teeth, but in 2005 the possibility of a European constitution was rejected in a referendum. Observers traced this growing scepticism towards the

existing form of European integration to the fact that Europe was regarded as accelerating and intensifying globalisation.

The perception was that Europe one-sidedly boosts liberalisation and deregulation, thus leading to scepticism and rejection. However, right-wing populist politicians, such as Chairman of the Front National Jean-Marie Le Pen, also fundamentally called the EU into question. In his presidential campaign in 2002 Le Pen regularly demonised the EU. His daughter Marine Le Pen, now the chair of the Front National, has continued this anti-Europeanism. In the run-up to the European elections in 2014 she called for France's exit from the euro. This position is not to be dismissed: before the elections the party at times led in the opinion polls. However, there is still fundamental approval of Europe. A majority of 54 per cent of French people believe that EU membership is advantageous to France and 37 per cent believe the opposite (Eurobarometer 2013d: 2). However, ever more important in the French debate, too, is the issue of how this Europe is to be shaped.

Nevertheless: a majority for Europe

6.4. Poland

»A my wracamy do europejskiej rodziny«. (We are back in the European family) (Kwaśniewski 2003) This was Polish president Aleksander Kwaśniewski's comment on the successful referendum on Poland's EU accession in 2003.

Back in Europe

After the peaceful revolution in 1989 Poland availed itself of its new freedom to determine its own domestic and foreign policy. The country's return to Europe, which was taken as an expression of Poland's solid links to the West, was particularly important in this. Both domestic and security-policy issues, not to mention economic considerations – besides the country's historical self-perception as part of central Europe – played a key role in this decision.

In the course of its own democratisation efforts political integration in the European Union promised to have a stabilising effect. Furthermore, participation in the European single market was considered the best option for raising living standards to western European levels.

Poland's membership of NATO and the EU also served its security-policy needs, especially because relations with Belarus and Russia were tense.

Poland is still a young member of the European Union. It acceded with nine other central, eastern and southern states in 2004. As the »youngest« of the large EU member states Poland first had to find its role after accession. This manifested itself, for example, in the debates on the Lisbon Treaty, when Poland sought to assert its interests with provocative demands. However, there is strong approval of EU membership among the population and in the political arena.

Poland provides evidence of the success of the European integration model. As a consequence of its transformation from a communist country with a planned economy to a market economy Poland has already made substantial progress with catching-up economically.

In the global financial crisis in 2009, for example, Poland was the only EU country that was able to maintain economic growth. Poland's positive development is based not least on the solid democratic values of the independent trade union movement *Solidarność* which paved the way for the break-up of the Eastern Bloc in the 1980s.

Poland's history has a strong influence over relations with the EU. This history has been shaped decisively by its position between the surrounding great powers. After its adoption of the first modern constitution in Europe in 1791 Poland was finally divided between Prussia, Tsarist Russia and Austria.

After the First World War Poland regained its independence, temporarily. It came to an end when Nazi Germany and the Soviet Union invaded the second Polish republic in 1939. As agreed in the secret Hitler-Stalin Pact Poland was again divided: the east went to the Soviet Union, the west to Germany. Poland's closest allies, France and Great Britain, intervened after some delay, which left Poland feeling that it had been left in the lurch.

After the Second World War Poland's borders were shifted to the west so that the Soviet Union could retain the areas it had occupied at the beginning of the war. It remained in the Soviet sphere of influence for the next 40 years.

Only in 1989 did Poland regain its national sovereignty. Its subsequent alignment with the West (accession to NATO and the EU) was based on a broad political and social consensus. However, the transfer of sovereign rights to the EU, albeit voluntary on this occasion, gave rise to mixed feelings in Poland. The country's understandable need for national self-determination and cultural identity stood alongside the strong will to »return to Europe« and join the EU.

With regard to approval of the EU Poland exhibits cross-party continuity. An exception to this was the government of prime minister Jarosław Kaczyński (2005–2007), during which Poland's heightened self-awareness after its successful »return to Europe« made itself felt in the EU institutions. The demand for retention of the Nice voting procedure in the Lisbon Treaty was described with the slogan »square root or death«.

In the event that the old voting rights were changed, Poland, together with the Czech Republic, Lithuania and the United Kingdom, held out the prospect of the collapse of the negotiations. Polish president Lech Kaczyński (2005–2010) – who subsequently died – threatened the other member states with a veto because he wanted to prevent an increase of Germany's voting weight.

The Kaczyński brothers belong – or belonged – to the national-conservative »Law and Justice« party. The party tries constantly to make political capital from references to Polish history, eurosceptical positions and anti-German tendencies.

The Polish government's policy on Europe under the Kaczyńskis was not in accordance with the majority of the population, however. It was one reason why Jarosław Kaczyński suffered a bitter election defeat in 2007 and had to cede the office of prime minister to Donald Tusk of the liberal-conservative »Citizens' Platform«, who was the first Polish prime minister to be re-elected in 2011. European policy under Donald Tusk is characterised largely by a cooperative, pro-European tone. In 2010 he was awarded the Charlemagne Prize for his outstanding efforts within the framework of the ratification of the Lisbon Treaty as a »committed and convincing European«.

In the second half of 2011 Poland, for the first time, took over the presidency of the European Council. They focussed on three things: European integration as a source of growth, security and defence policy and openness to EU enlarge-

*»Square root
or death«*

Election result 2007

Background

ment. The choice of the first two themes can be explained by Poland's history and development.

Poland's approach to European solidarity is manifest in its advocacy of openness on the part of the European institutions towards EU enlargement and especially in its commitment to the »Eastern Partnership«, as well as in its support for the democratisation of Arab countries. Poland, which together with Sweden launched the initiative to establish the »Eastern Partnership«, vehemently favours rapprochement between the countries of eastern Europe and the European Union, in particular with regard to the democratisation of Belarus and the integration of Ukraine in European structures. Poland, like Germany in the 1990s, feels a historical responsibility towards its eastern neighbours and also does not want to remain on the periphery of the EU.

»I fear German power less today than German inaction« – with these words Polish foreign minister Radosław Sikorski recalled Germany's special responsibility for overcoming the European financial market crisis. Although Poland is still not a member of the euro zone, it regards overcoming the financial and economic crisis as a special responsibility because Poland considers the collapse of the euro zone as the greatest risk to stability in Europe and thus to its own security and economic growth.

*Strong Catholic
Church*

Poland's policy on Europe, like those of the other member states, also pursues its own economic and political interests. However, the tone and manner of the domestic debate in Poland reflects the special features of Polish political culture. This is still characterised by the strong position of the Catholic Church.

This explains, for example, the strength of conservative parties in Poland, but also the public appeal by Polish bishops to vote in the referendum on EU accession.

It is therefore no surprise that the role of the Catholic Church and issues such as abortion or artificial insemination are constant topics of debate and that politics is dominated by a »belligerent« culture of discussion. Another example is the success of what is at present the third strongest political party »Your Movement« around Janusz Palikot, that has been able to score points with a liberal, progressive anti-clericalism. The success gained by right-wing populist, eurosceptic and anti-German parties, especially after EU accession, also has to do with the fears of many Poles that they will be patronised within the EU.

Another important characteristic of Polish politics is the close foreign policy ties to the United States. When Poland aligned itself with the United States on the issue of the Iraq war – in contrast, for example, to Germany and France – this reflected Poland’s view of the country (far and away NATO’s most powerful military force) as the main guarantee of its security. Poland’s historical experiences go a long way towards explaining this stance.

The representation of Polish interests at the European level, besides their economic and security-policy aspects, is also dependent on the relevant political constellation. The Third Polish Republic is characterised by a dual leadership: a state president elected directly by the people and a prime minister elected by the Sejm.

This gives rise, in principle, to two possible constellations that may influence Poland’s policy on Europe. If both the president and the prime minister come from the same political camp a uniform European-policy line is to be expected. If the president and the prime minister come from different political camps, however, and represent different European-policy positions this can put a spanner in the works, as happened for the first time in relation to the Lisbon Treaty. Although the parliament and the prime minister accepted the Lisbon Treaty, the president refused to sign it. Only months later, after the successful referendum in Ireland, was the Polish president ready to ratify the Treaty.

The abuse of European-policy issues for populist and domestic policy purposes reflects neither the basically pro-European line of Polish policy nor the attitude towards Europe of the majority of the Polish population. In the 1990s approval of EU accession reached almost 75 per cent in opinion polls.

The high ratings are due primarily to the fact that Poland implemented radical economic reforms immediately after the collapse of communism, which meant that they tended not to be linked with EU accession. Even Poland’s farmers, the majority of whom were among the biggest sceptics before accession, became beneficiaries and advocates of the EU. Despite the financial and economic crisis in Europe, Poland’s continuing economic growth and EU support for extensive infrastructural measures, not to mention free movement of persons have fostered a stable positive attitude among the Polish population with regard to the European Union, above the European average.

Despite the campaigns against it there is still strong approval of the EU

The slight reduction in approval ratings in recent years can be attributed to the financial and economic crisis, which has given rise to fears about the future in Poland, as in other EU states. In particular this is manifest in the declining approval ratings for introducing the euro. However, it is striking that an above-average proportion of Poles put more faith in the European Union to solve the financial and economic crisis effectively than in their own government. In surveys in July 2013 53 per cent of those asked still viewed EU membership positively and 10 per cent took a negative view, in contrast to 50 per cent and 17 per cent, respectively, of respondents on the EU average (Eurobarometer 2013e: 37).

6.5. Greece

Kaki Bali

*The tenth member
of the EC*

Since 2010 the debate on Europe in Greece has been determined almost exclusively by the crisis. This applies to both the elites and the general public. Before 2010, however, Greece was one of the most pro-Europe countries, especially from 1981, when it became the tenth member of the European Community.

Although at the end of the 1970s only the conservative party Nea Dimokratia and the euro-communists favoured Greek accession – the socialists of PASOK were strongly against it – soon no party opposed European integration. When PASOK came to power in 1981 it abandoned its anti-European rhetoric and became more and more – enthusiastically – pro-European. Only the »orthodox« communists of the KKE represented an exception in the otherwise pro-European party spectrum. They continued to militate against the EC, but not particularly vociferously.

*Europe:
Promising
democracy
and stability*

The bulk of the population associated affiliation to democratic Europe with a sense of security and a sense that Greece, too, would remain politically stable and democratic.

Although the seven-year military junta had ended in 1974 it had not been forgotten. Also associated with EC accession was aid for agriculture. In a country with more than 20 per cent of its population in that sector this promised future prosperity.

This pro-European attitude remained more or less constant for around 30 years. Greece also managed to get into the euro zone in 2002, which was celebrated as a major achievement. Not even the subsequent enormous price rises on staple consumer goods could dampen the euphoria.

By contrast, the various integration-policy steps and European treaties were barely discussed. The parliament approved them and the government did what virtually all governments of EU states do: they presented positive things as their own achievements and negative things as »the dictat of Brussels«, which they were unable to do anything about.

Nevertheless, until recently the population put considerable trust in »Brussels« and EU membership was associated with growing prosperity. In 2010, however, the crisis hit, followed by negotiations with the EU partners on the rescue package. The first negotiations were conducted by Giorgos Papandreou (PASOK). He was denounced as a traitor by then opposition leader Antonis Samaras because of his severe austerity policy. Samaras presented an alternative plan, which provided for the imposition of cuts in stages.

The Papandreou government tottered and finally collapsed when the prime minister raised the prospect of a referendum on the rescue plan but then dropped it. The plan had already been criticised by, among others, German Chancellor Angela Merkel and then French president Nicolas Sarkozy.

A coalition made up of PASOK, Nea Dimokratia and the right-wing populist LAOS temporarily formed a government. Samaras distanced himself from his alternative plans: the austerity policy became even harsher and unemployment skyrocketed.

The public perception of the so-called »troika« – comprising the European Commission, the ECB and the IMF – which supervised the terms and conditions of creditors, was as a kind of »occupying power«.

After the elections in the summer of 2012 a new government was formed involving Nea Dimokratia, PASOK and the moderate left (DIMAR). The latter quit the government, however, in protest against the sudden closure of the public broadcasting service.

2002: Accession to the euro zone

2010: Crisis and rescue packages

Referendum?

Public perception of the »troika«

*Unemployment
rate: 28%*

The recession continued to deepen, unemployment rose to 28 per cent and society became increasingly impoverished. There appears to be no light at the end of the tunnel for ordinary people.

Who is to blame?

Most Greeks take the view that two culprits are responsible for this situation. On one hand, the country's political system, especially the two »eternal« governing parties, PASOK and Nea Dimokratia.

A major portion of the responsibility is also apportioned to Angela Merkel, however, who many believe has dictated the catastrophic austerity policy. Unofficially, this opinion is shared by many politicians in the governing parties. Greeks feel humiliated by German policy and the German media. They had high hopes of a new German policy on Europe arising from the German general election in 2013, in particular if the SPD made a good showing.

New majorities

Political majorities in Greece have shifted considerably in the wake of the crisis and the austerity packages. The opinion polls concerning the European elections in 2014 (as of January 2014) are one indicator of this. According to them, PASOK could be virtually demolished. Nea Dimokratia fears that it will no longer be the strongest party. The opposition radical left-wing SYRIZA has a good chance of winning the election. They favour renegotiation of the rescue packages and a solidaristic Europe without austerity. The right-wing populist party ANEL (»Independent Greeks«) scores around 5 per cent in the polls, the right-wing extremist »Golden Dawn« almost 10 per cent. At the time of writing (January 2014) almost half the leadership of Golden Dawn is in custody pending trial, accused of membership of organised crime gangs. The fact that, nevertheless, they continue to manage around 10 per cent in the polls shows how damaged Greek political culture has been by the crisis, austerity packages and negotiations.

*Narrow
majority pro EU*

Despite all this, even though the figure has fallen considerably in recent years, at 34 per cent more Greeks still take the view that EU membership is a good thing than believe the opposite (30 per cent). Furthermore, an overwhelming majority of 73 per cent agree with the assertion that what binds Europeans together is more important than what divides them (Eurobarometer 2013f: 2).

7. FOR FURTHER REFLECTION

At this point we shall try to conclude the discussion on Europe. After reading this book you may object strongly to this proposal – quite right too.

Needless to say, the discussion on Europe can never be concluded, in the sense of finding a conclusive answer. European integration is an open process. New challenges and opportunities continue to arise. New answers must be found.

Particularly from a social democratic standpoint the degree to which basic values and fundamental rights have been realised and equal freedom established with, in and beyond Europe.

The fact that it is worth reflecting on and discussing Europe and that, despite all the problems, political parties should take up the European cause is made clear by a view from outside.

Steven Hill, a US author, published a book in 2010 entitled *Europe's Promise: Why the European Way is the Best Hope in an Insecure Age*. He describes how in Europe »Everyone I see, all those people walking by, no matter their age, gender, religion, or income, has the right to go to a doctor whenever they are sick. And all those I see have a decent retirement pension waiting for them, and parents can bring their children to day care, or stay home to take care of themselves or their sick loved one, and get paid parental leave or sick leave and job retraining if they need it, and an affordable university education. ... At the end of the day, the clever Europeans have crafted something that we have not yet figured out how to do in the United States.« (Hill 2010: 269–270)

The questions of how far a social Europe has been realised, what can be achieved and what remains to be done must constantly be renegotiated in the political arena. The debate on Europe is in its infancy – again. Peace, democracy, prosperity, social equality and sustainability: we hope that this reader provides helpful benchmarks and knowledge about Europe.

This brings us back to the opening of the book and the picture presented there. Do you recall your position when you started reading? What does it look like now? Has it changed?

Can you think of a better way of starting a discussion with the young person depicted? Do you have any ideas about how you might be able to get him to be enthusiastic about Europe?

Because as important as it is to discuss the best way to go, one thing is certain: a social Europe needs people who are committed to a social Europe.

We invite you to participate in the debate on social democracy. The Friedrich-Ebert-Stiftung's Academy of Social Democracy provides a forum for this purpose. Eight seminar modules deal with the basic values and practical domains of social democracy:

Foundations of Social Democracy

Economics and Social Democracy

Welfare State and Social Democracy

Globalisation and Social Democracy

Europe and Social Democracy

Integration, Immigration and Social Democracy

The State, A »Society of Citizens« and Social Democracy

Peace and Social Democracy

www.fes-soziale-demokratie.de

The Ten Biggest Misconceptions Concerning the EU

Christian F. Trippe³¹

1. Brussels is a Moloch, too big and too expensive. In the past year the EU has spent around 141 billion euros, that is, 282 euros for each EU citizen. Most clubs are more expensive.

2. The EU has too many officials. The Commission, the Council of Ministers and the European Parliament together have around 32,500 employees. Munich city council employs 33,000 people.

3. The EU doesn't do anything. This accusation can only be levelled by someone who has lost their sense of proportion. Travel without border posts and passports. The common market. The euro. Freedom for all who want to do, not do, study or offer something. And this is only the start of the list of its achievements.

4. Europe bypasses its citizens. Isn't it precisely the other way around? Sometimes objections require a counter-objection and »Brussels« is not responsible for a turnout of 43 per cent at the most recent elections to the European Parliament.

5. The EU only regulates what doesn't matter to anyone. Concerning the ban on incandescent light bulbs and the curvature of cucumbers: the first was called for by almost all environmentalists and the second was strenuously demanded by vegetable growers.

6. The EU lacks a face and a voice. Rather there are too many faces and too many voices: a permanent Council president, a rotating Council presidency, a Commission president and also the High Representative for Foreign and Security Policy. But such a complex and culturally diverse entity as the EU needs proportional representation with regard to the top jobs.

7. When it comes to the crunch the EU fails to step up. This is how it seemed when people began to rise up in a number of Arab countries. In fact, however, the EU had concrete plans, but the member states pursued their own interests and did not allow – once again – the EU to play a role.

8. The whole construction is undemocratic. Hang on a minute: the Parliament is directly elected and the representatives of freely elected governments – who appoint the EU commissioners – sit on the Council of Ministers and at summits. Thus even the Commission, this powerful authority, has a derived legitimacy.

9. The EU is cumbersome. Wrong: the EU operates scrupulously. It doggedly pursues consensus, which is difficult to achieve. After all, what sense does it make to take such far-reaching decisions hastily, whether on reducing cars' CO₂ emissions, the separation of electricity generation and supply networks or Europe-wide data protection?

10. Union of states or federal state – the EU doesn't really know what it is or what its goal is. But it doesn't need one, because it remains open to further development. It has already tamed the ghosts of Europe's self-destructive past. That's plenty for now.

³¹ First published in Cicero 4/2011. We are grateful for being permitted to reproduce it here.

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Further reading:



More background, texts and materials on the institutions and development of European integration are provided by the module »European Identity« of the Friedrich-Ebert-Stiftung's Online-Akademie:

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An overview of important names, terms and institutions is provided by the »Europalexikon« published by Dietz-Verlag Bonn, by Martin Große Hüttmann and Hans-Georg Wehling (see p. 42).

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20 Key Names and Terms

1. Single European Act

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2. EU enlargement

(p. 43, pp. 116ff)

3. Euro

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4. Euro bonds

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5. European identity

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6. European treaties

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7. European economic government

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8. Jacques Delors

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9. Jean Monnet

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11. Negative integration

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12. EU institutions

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13. Positive integration

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14. Robert Schuman

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15. Social Europe

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16. Turkish accession

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17. Maastricht Treaty

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18. Amsterdam Treaty

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19. Lisbon Treaty

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20. Wilhelm Haferkamp

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Politics needs clear orientation. Only those who are able to state their goals clearly will achieve them and inspire others. In keeping with this, this reader *Europe and Social Democracy* asks: How can the fundamental values of social democracy be realised by, in and beyond Europe? What European-policy principles should be implemented? How can a social Europe be achieved?

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