



THE EUROPEAN RESCUE OF THE EUROPEAN UNION

THE SOCIO-ECONOMIC MALAISE OF INTEGRATION

An international workshop
LEÓN 9/10 SEPTIEMBRE 2011



RE/CON

RECONSTITUTING
DEMOCRACY
IN EUROPE



Fundación Sierra-Pambley)

The European Rescue of the European Union

The socio-economic malaise of integration

PROGRAMME

Friday, September 9th

⊕ 09:30- 10:45 Registration

⊕ 10:45- 11:00 Opening

⊕ 11:00- 11:15 RECON at five
🗨 Erik Oddvar Eriksen, ARENA

Keynote Speech

⊕ 11:15-11:35 *Historical memory, historical oblivion, historical amnesia in European integration*

🗨 Hagen Schulz-Forberg, Aarhus

⊕ 12:35– 13:00 *Debate*

First Session: Theoretical Framework

RECON (Reconstituting Democracy in Europe) has articulated three different conceptions of the purpose and point of European integration *in polity terms*. At the same time, this specific workpackage has contributed a second dimension by means of tackling the conceptions of distributive justice that different visions of European integration gravitate towards. This workshop aims at exploring the analytical, axiological and policy implications of this bi-dimensional understanding of the socio-economic constitution of the European Union by means of contrasting two of the main *planks* of the European socio-economic constitution: the four economic freedoms and the fiscal and monetary constitutional principles under which asymmetric European monetary union has proceeded. This leads to rendering explicit the highly political character of the European socio-economic constitution and articulating a research and policy agenda that pays proper attention to questions of *democratic legitimacy* and *political stability*.

13:00-13:20 The European Rescue of the European Union

🗣 Edoardo Chiti, Pedro Teixeira, Agustín José Menéndez

⌚ 13:20– 14:00 *Debate*

Second Session: Economic Freedoms: Vanguard of European integration or Il topolino morto partorito dalla montagna?

There is not such a thing as *the* European internal market, but a plurality of understandings of what such an internal market means (a common market, a single market, a transnational market). The specific characterization of the internal market depends on the specific understanding and shape of the key principles on which the market is grounded, namely the four economic freedoms (plus the principle of undistorted competition). Historical reconstruction shows that such an understanding has varied and still varies among Member States; and has changed and been transformed (and is still in flux) at the supranational European level too. In particular, there is a sea of a difference between the common market approach (followed from the beginnings to the late 1970s) and the single market approach (followed from the early 1980s). There is thus no *one single* right conception of what is the single market or what the four economic freedoms entail, but actually many.

This section will thus consider the *internal market* project as essentially contested terrain, which is open to be shaped and defined by different conceptions of European integration, and may thus be duly influenced not only by different polity views, but also by different conceptions of distributive justice. What are the main milestones in the evolution of the understanding of the internal market? What polity implications this has had? What effects this has had on national democratic decision-making processes? And on national configurations and setups of the socio-economic constitution, and in particular, of the welfare state?

⌚ 16:00-16:20

🗣 Recalibrating Economic Freedoms, Mads Andenaes, Oslo

⌚ 16:20– 17:00 *Debate*

⌚, 17:00-17:20 Weighing and Balancing: Proportionality as Dr Jekyll and Mr Hide

🗣 Agustín José Menéndez, Universidad de León

⌚ 17:20– 18:00 *Debate*

18:00-18:30 Coffe Break

⌚, 18:30-18:50 Third Model

🗣 Christian Joerges, University of Bremen

⌚ 18:50– 19:30 *Debate*

Saturday, September 10th

Third Session: Asymmetric Monetary Union: Towards Fiscal Union or The House that the Euro Unmade?

Since the fall of the Bretton Woods system in August 1971, the European Union has faced a triple economic challenge: (1) How to ensure monetary stability without the convertible dollar anchor?; (2) How to render compatible a stabilising monetary policy with the use of fiscal policy to achieve the basic constitutional goals of the Sozialer Rechtsstaat?; (3) What is the proper means of social integration with which to undertake the government of economic policy? What is the proper mix of (political or epistocratic) discretion and (political or epistocratic) rules?

The monetary Union announced in the Maastricht Treaty and further specified in the Amsterdam Treaty and the secondary legislation making up the Growth and Stability Pact was the product of a complex compromise. It resulted in a rather atypical asymmetric form of monetary Union, characterized by a mix of federal and apolitical monetary policy *and* formally political and national fiscal and wage policies. “Governance” arrangements (such as open coordination among Member States through broad economic policy guidelines) were supposed to square the circle, and ensure that monetary policy was “technically” taken care of, while Member States retained wide discretion to set up their fiscal policies but used it in ways that took into account the “common” interest of Euroland.

The fiscal crisis of the PIGS has revealed the extent to which “governance” arrangements have not delivered (although exactly what they have not delivered is far from obvious). We seem to be now in a situation in which some degree of further integration in economic policy must happen and will happen, but can’t happen, or will only happen to an insufficient extent and rather too late. Actual room for choice in economic policy is structurally determined by the way in which decisions are framed (i.e. whether economic policy is approached as a whole larger than the parts, as used to be the case in the three first postwar decades, or as an aggregation of separate policies, an inheritance of the peculiar model of asymmetric monetary union) and by the institutional structure and decision-making setup. Democratic legitimacy is not a luxurious plus, but a very fundamental condition for the efficiency of economic policy.

Can the single market and monetary union be sustainable when the institutional setup and the decision-making processes on the two of them isolate them from political contest and political preferences? Can indeed political union be decided in an apolitical form? Can legitimacy be produced *intergovernmentally*? Or coordinated

through multilevel governance arrangements, such as the Eurogroup? Have not these options already been proven insufficient, illegitimate and inefficient?

⌚ 10:00-10:20 Good Governance of Monetary Policy?

🗣️ Michelle Everson, Birbeck

⌚ 10:20– 11:00 *Debate*

⌚, 11:00-11:20 The Size that Fits No-One: European Monetarism Reconsidered

🗣️ Jeremy Leaman, Loughborough University

⌚ 11:20-12:00 *Debate*

🗨️ Discussant: Lars Blichner

Fourth Session: What to do, Spinelli?

The Maastricht cum Amsterdam socio-economic constitution may have become fully exhausted. While the Lisbon Treaty was the reform treaty to end treaty reforms, we have *de facto* already mutated the Treaties. In formal terms, a small Treaty amendment has been decided (and is pending on national ratification) at the same time that a radical and synchronized change in the material constitution of all Eurozone Member States has been agreed (the Pact for the Euro plus).

Do these changes make sense from the standpoints of efficiency and legitimacy? Will they result in a stable constitutional settlement? Are there other possible blueprints for the future of the European Union? Which are those? And how do we get there?

⌚ 16:00-16:20 Rearranging the levels of governance in Europe

🗣️ David Mayes, Auckland

⌚, 17:00-17:20 The democratic European Republic

🗣️ Stefan Collignon, Sant'Anna Pisa

Discussant: Nicola Scotto

18:00-18:15 Closing, Edoardo Chiti, Pedro Teixeira, Agustín José Menéndez