
Global Governance. International Relations are no longer a matter primarily for nation-states. International organizations and supranational institutions have taken root as well. Nongovernmental actors participate in political processes, and national publics closely follow developments outside their own countries. The interplay of national and supranational policies, issues surrounding the juridification of international relations, and questions of global governance, are examined at the WZB predominantly in the Research Area on International Politics and Law, which also contributes to the work of the WZB Rule of Law Center.

Crisis as an Opportunity Politicization Does not Automatically Mean Renationalization

Michael Zürn and Christian Rauh

Political decision-making by the EU long remained hidden to the eyes of the broad public. The liberalization of European economies was often attributed to the national governments, while the majority of citizens associated the EU above all with rampant bureaucracy, which regulated even the shape of bananas. This changed with the euro crisis. The EU has finally become a subject of political debate.

From as early as the 1990s, there had been moves to counter covert decision-making in Brussels. Since then, European integration has experienced several phases of strong media attention, increasing polarization of public opinion, and even open protest. This politicization has challenged the conventional yardsticks by which the EU has been judged: instead of being measured in terms of economic efficiency, the EU is now seen as an institution that exercises power and is thus subject to more demanding criteria of political legitimation.

In this context societal politicization means two things: while producing resistance to European institutions and their politics it strengthens awareness of the importance of political processes beyond the nation state. This is why the crisis of the financial and currency system is not automatically to be equated with a crisis of European integration.

The politicization thesis is thus at variance with two sceptical readings of the situation. The one says that the financial and monetary crisis symbolizes nothing other than the victory of global capitalism over its containment by democratic control. Politics is accordingly constantly forced to react to ever new figures from “systemically important” banks, to ever new assessments by rating agencies, and to ever new fluctuations in interest rates and prices. The decision-making marathon of recent years, desperately trying to keep up with short-term economic developments, shows, it is claimed, that the “primacy of politics” has been replaced by a “primacy of the markets.” Chancellor Merkel’s

Summary: The politicization of the European Union during the Euro crisis presents risks for political integration but also offers an opportunity to set supranational decision-making on a more democratic track. Political elites therefore can no longer present the EU only as a source of technocratic or intergovernmental constraints, but should rather use and justify it as a space in which different political alternatives can be developed.

reference to “democracy in conformity with the market” seems unintentionally to support this diagnosis.

The second, also sceptical interpretation stresses that the financial and monetary crisis is causing the re-nationalisation of political decision-making in Europe, thus hampering integration. Proliferating summit diplomacy, discussions on a Brussels bureaucracy indifferent to public concerns, and the mainly national patterns of justification fuel this perception. This thesis is substantiated by the worrying rise of right-wing populist parties, which are likely to do better than ever before in the coming elections to the European Parliament.

We agree with these sceptical analyses that the financial and monetary crisis marks a critical juncture in the process of European integration. We also agree that it accentuates and exposes the prevailing logic of European decision-making processes. We also agree that to an unprecedented extent this shows the tensions that exist between national democracy and supranational technocracy.

In our view, however, the financial and monetary crisis is not automatically expanding technocratic decision-making at the cost of democratic control, nor need it inevitably bring integration to a standstill or cause re-nationalisation. Europe is at a critical institutional juncture. Although politicization is a challenge to the traditional mechanisms of European integration, it also creates pre-conditions for setting a new course.

Research identifies three components of politicization. Growing awareness points to the growing visibility of EU affairs for citizens. Polarization refers to the growing differentiation of opinions and positions in the public debate on European politics. Mobilization means the increase in the resources invested in EU-related debates and the increasing number of political actors involved.

Generally speaking, the increasing politicization of international institutions – whether the EU, the United Nations, the International Monetary Fund, or the World Trade Organisation – can be seen as an answer to their increase in political authority. More than *policy conflicts* are involved. Wherever political decision-making powers develop beyond the nation state, two additional conflict lines emerge. On the one hand, *conflicts of authority* develop. What is at issue is the level at which political decisions are made and which institutions make them. If political authorities beyond the nation state rely on justification patterns that differ from known forms, reflexive legitimation conflicts will also arise. The question is then not only whether certain legitimation requirements are met but, more fundamentally, what sources and mechanisms can legitimize at all. What are suitable standards of legitimacy for a European Central Bank, for instance? Does independent expertise suffice as a source of legitimation or is political representation also needed?

Given this triple potential for conflict, it is all too easy to see politicization as endangering European integration. For it breaks up a triad: the liberal economic thrust of European policy, the assignment of powers to supranational institutions, and the predominantly technocratic justification of their decisions.

However, politicization could also establish the necessary conditions for the greater involvement of citizens in the integration process that political rhetoric has repeatedly demanded at the latest since the Maastricht Treaty. Only broad political awareness of the content, processes, and societal implications of supranational politics allows clear attribution of the political responsibility without which democratic control of European decisions is impossible. In a politicized context, European institutions are much less likely to be driven by special interests or to be used to circumvent parliamentary opposition or societal resistance. It can be shown, for instance, that when public attention is high market regulation by the European Commission proves to be much more consumer-friendly.

The politicization of Europe brings out the opinions prevailing in European societies, enables differing points of view to be examined, and can thus generate broadly convincing public opinion to guide political action. However, politiciza-



Michael Zürn is director of the Global Governance research unit and professor of political science and international relations at the Free University of Berlin. He is also the co-director of the WZB Rule of Law Center. [Photo: David Ausserhofer] michael.zuern@wzb.eu

tion cannot be equated with democracy. But it is clearly a necessary condition for democracy. In effect, it creates a situation in which the conflicts inherent in politicization either set the course for institutional decline or lay the foundations for a more democratic form of European integration.

The financial and monetary crisis in the EU provides a picture-book example of the politicization of international institutions. It is explained firstly by the regulatory shortcomings of the 1991 Treaty of Maastricht. From an institutional point of view, the crisis was caused by a combination of centralized monetary policy and decentralized fiscal policy, which both prevented weaker economies from devaluing their currencies and hindered financial adjustment, a solution favoured in individual countries. This half-way construction was one of the structural reasons for the crisis in southern Europe. At the beginning of the monetary crisis, the options were therefore to continue on the road to Brussels or to sound the national retreat.

In fact, in a second step the political authority of the EU was expanded, particularly in fiscal policy. Thus, the fiscal pact adopted in the autumn of 2011 imposed balanced budgets, required national debt brakes with constitutional status, and made these rules subject to sanctioning by the European Court of Justice. Also the European Stability Mechanism (ESM), which can meanwhile buy government bonds and recapitalize banks allows individual member states to be outvoted by a qualified majority. At the level of decision-making powers, the European institutions have thus been strengthened – over and beyond the two examples cited. From the perspective of the politicization thesis, such a stronger supranational level is an even better addressee for societal demands of all sorts.

In a third step, awareness of this authority has increased. The recent decisions of the EU have direct and palpable effects on mortgages, pensions, and the provision of essential public services. This has increased the information needs of the broad public and generated greater media attention. Particularly in the “debtor countries,” the prescribed austerity policies mean drastic reductions in individual well-being. Nothing demonstrates this more symbolically than the troika of inspectors from the International Monetary Fund, the European Central Bank, and the European Commission travelling repeatedly to Greece with their mien of liquidators. The drastic cuts in pensions or wages hurt even in the reading. The growing poverty is palpable in Athens and cannot be overlooked even in the otherwise so noble Madrid. But in the “donor states,” too, individual and collective welfare is massively affected by current supranational decisions, and public interest is accordingly great. For example, the liabilities incurred by German acceptance of the European Stability Mechanism are likely to exceed the cost of any single piece of legislation ever adopted by the German Bundestag.

The fourth step is concerned with legitimacy. The political authority of European institutions faces extremely indirect and often fragmented representation of broad societal interests. The rights of the Commission to control national budgets and the expansion of the powers of the ECB are examples. Deficient legitimacy can also result from the (self-) empowerment of national executives at the cost of elected representatives in national parliaments or in the European Parliament. Summit diplomacy with recurrent pictures of black limousines, negotiations behind closed doors, and the early morning announcement of results to which there is no alternative, is unlikely to signal inclusive and representative decision making. But where Europe intervenes profoundly in the welfare of broad sections of society, purely result-oriented legitimation operating only with practical constraints and expertise can no longer suffice to generate public consent.

The resulting situation is one of political contentiousness. This is confirmed by our data. Our index, which covers the extent of media reporting, the differentiation of public opinion on EU membership, and the number of EU-related protests, shows an increase in politicization of the EU since 1990, peaking at times of major treaty negotiations and even more strongly during the financial and monetary crisis.



Christian Rauh is researcher in the WZB research unit Global Governance. He works in the field of the societal politicisation of European and international politics. He was involved in the WZB project “Position Formation in the EU Commission” in the framework of which the dissertation summarized here was written.

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christian.rauh@wzb.eu

These observations are hardly compatible with the re-nationalisation thesis. While the decision-making powers of European institutions have grown in the course of the crisis, calls for withdrawal from the EU or the euro area are very limited everywhere and most decision-makers want to keep the euro. The highest level of politicization in the history of European integration has not led to fundamental opposition but to demands for alternative regulatory approaches and bases for legitimation.

Is this acceptance to be seen as a victory of capitalism over democracy? The greater responsiveness of European institutions suggests this is not the case, for the politicization of these institutions has obliged them to take greater account of citizens' wishes in legislation. Many of the measures taken run counter to the interests of the traditional beneficiaries of liberalizing policy in Europe. Examples are the EU-wide capping of bonus payments in banks, control and licensing restrictions for hedge funds, and moves to introduce a financial transaction tax and limit manager salaries. These measures will certainly not eliminate all regulatory shortcomings that have plunged Europe into crisis. However, their thrust would scarcely have been conceivable in times when Europe was absent from the public political sphere.

Our politicization thesis accordingly differs from these sceptical readings of the situation. For one thing, it interprets the crisis as primarily institutional in origin. It sees the crisis neither as the expression of almost irresolvable tension between democracy and capitalism nor as an expression of deep-rooted national identities irreconcilable with a policy of cross-border transfer. At least in the long term, it thus allows scope for overcoming the crisis through institutional reform. This relates closely to a second difference. In our interpretation, while politicization is the expression of a crisis, it is also an expression of social change that improves the conditions for institutional reform.

Along with Wolfgang Streeck, we have doubts about the intuition "that crises always have to end well." Conversely, however, we take the view that the emergence of political orders is often conflictual and never goes without a hitch. Crises may thus trigger institutional change. The imperative to take action in time of crisis ensures that the inertia of established institutions diminishes, opening up opportunities for changing course. The euro crisis has reinforced the existing trend towards the societal politicization of the EU. Public awareness of supranational power, the polarization of opinions on the subject, and active mobilization on European issues have attracted unprecedented public attention. However, the political discourse is still too strongly determined by executive and technocratic actors. European integration is thus at a critical, historical juncture between the risks outlined by the sceptics and the opportunity for the genuine democratization of supranational politics.

It could be objected that low voter turnout at the elections to the European Parliament does not exactly support the politicization thesis. The continuous decline in turnout at European elections since 1990 does not necessarily indicate a lack of interest in European politics. It is not a question of the unimportance of the European Parliament, whose role in European institutional structures has meanwhile grown considerably. What is at issue is the unimportance of the electoral choice itself. Do the recently displayed election posters betray what difference it would make to vote for the Christian Democrats, the Social Democrats, or the Greens? In the election campaign all these parties represent Europe, but hardly at all the specific political possibilities that this Europe offers. By comparison, the positions and slogans of the Eurosceptics and right-wing populists are almost concrete. It is therefore no surprise that these are the parties that will benefit most from the politicization of European integration.

In our view, an election campaign among Europeans is needed. With a great deal of effort, two top candidates, Martin Schulz and Jean-Claude Juncker, have established themselves, conducting a campaign about which of them is the better European. This is a step in the right direction, but it must be irrevocably established for all sides that the winner will in fact become President of the Commission. If the candidates also had the courage to campaign for quite specific poli-

cies and back these policies with their credibility, one could then really speak of an election campaign. The election would then no longer be a merely symbolic event in which citizens vote for or against Europe; it would be about what Europe they actually want.

Europe has a chance only if the political decision-makers use the broad public discussion to enter into open competition for the content of European policy, thus actively politicizing the EU instead of merely allowing themselves to be politicized. Only where Europe no longer presents itself only as a producer of constraints to which there is no alternative but as a space of political possibilities can broader societal acceptance of supranational powers develop. It can no longer suffice to invoke the unswerving principles of the European idea. For as long as public justification of European policy remain at such a general level, societal opposition will address this same level. The focus must instead be on concrete measures, their concrete utility for broad sections of society, and on institutional possibilities for future changes in course.

Whoever seeks to justify Europe on the basis of purely technocratic and inter-governmental explanatory patterns will harm the project in the long term. It is necessary to confront citizens with unpleasant truths and complex states of affairs if their support for Europe is to be gained. This is not a simple path to take, because genuine political confrontation is by its very nature open-ended. By definition it does not accept the dictum that "there is no alternative." Such a strategy thus always risks slowing down the integration process or demolishing parts of the *acquis*. Against the background of politicization, however, this risk is the inevitable price for a political union able to master the present and future challenges facing European societies.