

Democratic deficit or simply boredom?

The current impasse over the Lisbon Treaty threatens yet again to leave the Union stuck in another period of *immobilisme*. It may take a further two years to persuade member states to agree to a set of minor reforms self-evidently necessary to run an expanded EU more smoothly, reforms that should have been agreed in 2005. How can there be a democratic deficit when a few citizens turn down a proposal which *inter alia* would extend the powers of the European Parliament?

In truth, citizens of the Union are not awaiting these reforms with baited breath. If anything, they are bored with endless negotiations. While political leaders talk of special Irish opt-outs, a new referendum, perhaps even a whole new round of Treaty ratification, most ordinary folks merely want to yawn. Come the next EU elections, many will once again vote with their feet.

A better deal for ordinary folk

If Brussels wants to generate enthusiasm for the EU, it needs to do far more than streamline voting procedures or enthuse about a permanently elected European President. It needs to ask ‘how can we make ordinary citizens stakeholders’ and ‘what new services can we deliver that make a difference to people’s lives?’

Young people in particular are frustrated by the gulf between Europe’s promise and its delivery. ‘Where’, they ask, ‘is the Union that was to give us sustainable economic growth, better employment opportunities, improved access to social services and greater social and economic security?’ Instead of concentrating on the basics---including environmental sustainability---the Union appears to be about giving huge subsidies to agro-business, enforcing ‘competition’ and wasting time and money to continue shuffling MEPs between Brussels and Strasbourg. (Surely a few must appreciate that the EU at least makes Champions League football possible.)

In a word, the danger is not so much that the EU is perceived as undemocratic but that it is seen as increasingly boring and irrelevant.

What if the US were like the EU?

If you don't agree, try performing the following thought experiment. Imagine for a moment that the federal government of the United States had a budget of only 1% of the states' combined GDP. This would entail the overnight disappearance of a range of US government-provided services: everything from Social Security to Medicare, including much state subsidised education and most of the US defence establishment and even the CIA (arguably a benefit)----although the Fed would remain to supervise the dollar. The US government would serve little purpose; it would employ about as many people as a mid-sized town council. In consequence, most Americans would quickly lose interest in the general election contest between Obama and McCain, Congress would become little more than a talking shop and real power would lie with the governors and elected representatives of the 50 states. Being a representative in the Idaho legislature would be more prestigious than being a US senator. Politics in Washington would be reduced to the minor sport of watching whether a caucus of interests negotiated (probably behind closed door) between California, Texas and New York could prevail over the other states.

Sounds odd? Not at all---the sad prospect of an empty shell is what the 'promise' of Europe feels like to most of its citizens. How can it be fixed? The truth is that it can't be fixed by incremental changes in the treaties. What's needed is a big, bold vision of Europe within the timeframe of one or, at most, two generations.

A radical new vision of Euro-governance

What might that vision contain? Necessary elements could include the following: a European-wide citizen's retirement pension set minimally at 60% of EU median income (the poverty line); a broadly-based plan to eradicate child poverty throughout the Union; fully portable medical benefits (we are close to that at present); significant investment in EU-wide infrastructure (as Delors wanted in 1993); a unified EU security force to gradually replace national armies; rewriting the statutes of the ECB to include a

commitment to growth and full employment (along the lines of the US Fed). I could go on, but you'll get the point I'm sure. If you want to change Euro-governance, you need a vision.

Some readers will dismiss this as pure fantasy on the grounds that it is neither financially feasible nor politically realistic. Yes, implementing such programmes would need a complete restructuring of fiscal policy in the Union, raising the budget from 1% of combined GDP to at least 5-7%, or even more if one wanted a basic EU pension system. But I'm hardly the first person to propose this. An expanded federal budget was first mooted by the Werner Commission in 1970, and then again by the McDougall Report in 1977. Most recently substantial expansion has been proposed by such eminent economists as Charles Goodhart at the LSE. The CAP would need to be repatriated, and the EU budget would need to be funded by means of progressive taxation (providing built-in fiscal stabilisers)---as proposed in 1998 by Spain---and to be supplemented by domestic and overseas borrowing and the ECB's growing profits from seigniorage.

What of the politics?

In short, a radical restructuring of the budget is not only feasible but was first proposed by the euro's founding fathers some years ago. But what about the politics? Would an ambitious programme for the EU not be opposed by national politicians on the grounds that it encroached on their own prerogatives?

Of course it would be opposed. Such a programme goes against the short-term interests of most politicians at member-state level. What EU member state wants to treble or quadruple its contributions to a new central budget---answer: at present, none!

Nevertheless, unless politicians are willing to move beyond their parochial interests and think bold and big, the future of Europe does not look bright. Indeed, unless Europe---starting with the Eurozone core countries---becomes more imaginative, there is a real danger that its citizens will switch off altogether.