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WHAT'S WRONG WITH THE EUROPEAN UNION
AND HOW TO FIX IT

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P R O C E E D I N G S

MR. SHAPIRO: Thank you for coming to this very long room, we appreciate having you here. I'm Jeremy Shapiro; I'm the Research Director at the Center on the U.S. and Europe. I just wanted to welcome you and to introduce your host for the afternoon Federiga Bindi who is our visiting fellow from Italy this year. She's really reinvigorated our European Union program and most everything else in the Center so I think you couldn't be in better hands and she will introduce your speakers.

Thank you for coming.

DR. BINDI: Good evening everybody and thank you for coming over here. I would like just take two minutes to introduce Simon and Jeffrey, neither of them really does but anyway.

So it's a particular pleasure to have this debate and I see that you responded very well. Now Simon Hix as you know is teaching at the London School of Economics. For me it's a particular pleasure to have him here because we did the PhD in the same

thing, in the same place and I actually remember when I arrived at the Institute on my first year if I am correct. One of my first classes, Simon was, we happened to share the supervisor at the time. Simon was happening to finish his PhD so he was giving us a lecture on that and it was like, wow, when I get out of this place I'm going to be as smart and good as him. Which is not of course the case, but I think Simon has the rare ability in our profession of - and the rare ability of being tremendously good both at empirical studies and theoretical background and also has in my mind the merit of having introduced elemental reflection in methodology in studying Euro studies which may be less relevant in a place like Brookings, but is indeed very important in the way we do study European Union.

So his last book, if you haven't read it I do encourage you do it because it's fun to read, easy to read, interesting inside on the European Union and would, as Simon will show it gives some interesting possibilities for new scenarios. The only person who

will be very unhappy about your book is former President Prodi because in your book you say that since Italy has a left wing Prime Minister that will support, that could support the left wing commissioner and this was a miscalculation so that will be only one. A

And as far as Jeffrey Anderson is concerned I would like to thank you for responding positively to the difficult task of discussing Simon's book. Professor Anderson has a rather interesting curricula, after having been in a most beautiful and liberal place like Claremont College and you went to Emory to teach. So I would say quite different, yes Jeremy I see your funny face. And then he is now at Georgetown. He is a specialist on European integration and in particular about relation between Germany and European Union.

As I understand he just finished a new book on transatlantic relations, so he is a perfect candidate to come here again this time not as a discussant but as a discussees. How would you say?

So we will look forward to have you in a different forum in the near future. I will take no more time and leave the work to Simon.

DR. HIX: Thank you Federiga. Thank you all for coming. I'll give you a bit of background from where this book comes from. I've always sort of worn two hats. One is a political scientist, professor of comparative and European politics. The other one is advisor to various different people, but during the convention on the future of Europe, which was the convention that drafted the failed EU constitution, I was a chair of a working group for the British Cabinet Office advising the British government on their position they were taking in the convention. They didn't listen to much of what we had to tell them, maybe that was part of the problem, but we can get back to that.

So from starting off right, this book started with a series of policy papers for the British government. It then turned into some lectures and seminars at various different conferences in Europe,

in what was then called the reflection period which was the period to sit down and think and talk and expel a lot of hot air about why the constitution had failed. And then it evolved from these series of lectures and presentations into a book. You never know it might turn into a film at one stage, I hear that's the fashionable thing around here.

Anyway, the book has three parts to it. I'm not going to talk much about the first part but in fact if you do pick it up I'm actually, in hindsight, it's almost a year since I finished writing it, one of the things in the book that I'm most proud of, it sets out a new case for Europe. I felt it important to put this in a book because it's written in English and I don't think it's clear particularly in the UK, but perhaps also anywhere in the Anglo Saxon world why European Union is something worth pursuing. I can come back to the in the Q and A if you're interested but I'm going to focus in the short presentation today on what I think are the three fundamental problems facing the EU and what I think is the most viable or

desirable way out of these problems.

By the way, the Lisbon Treaty, this is the new treaty that has been signed, the aftermath of the constitution is a new treaty. The new treaty is not going to do very much. It's certainly not going to address any of these problems. My solution as I call it is what I call limited democratic politics. I use the word limited in two senses here. First, meaning it's not full blown democratic politics. I don't think the EU is ready for direct democratic politics. This was something some people were talking about during the convention, a directly elected President of Europe for example. Our experiments in direct democracy for the EU have so far failed. So this will be limited in a sense that it's sort of elitist-type of democratic politics. Limited in the second sense in meaning, checks and balances.

On the continent when I presented this kind of thing, some continental policymakers accused me of being typically British and wanting to turn the EU into Westminster sort of very majoritarian-type

politics, but speaking in a much more sophisticated city like Washington, D.C., where you understand checks and balances you all realize that having democratic politics doesn't necessarily mean dictatorship of the winning party. But anyway, that's what I - so I'll go through.

The first major problem I think the EU is facing is policy gridlock. Partly this is to do with the enlargement of the EU from 15 to 27 member states. But I actually think there is another element to it, which is actually more important. We've moved in Europe from a founding period where for 40 or 50 years the main process in Brussels was building this new style polity we have in Europe. And it is already a very stable quasi-constitutional architecture in the following sense. What we have in Europe is a market being created and regulated on a continental scale in Brussels and taxing and spending policies largely at the national level. And this is a very interesting political design. It's a very stable political design. Nobody really wants to change this in any

fundamental way. Very few people want to roll back what Brussels already has in terms of regulatory policies, perhaps on the cap.

And nobody else really wants to put forwards or hand over to Brussels major new redistributive competences in taxing and spending. So we got a very sort of stable quasi-constitution design. It was important in the creation of this design that it was done by consensus so there were no losers. It was done through consensus institutions essentially unanimity and it was done through delegation of regulatory functions to independent actors like the commission for the enforcement of the basic elements of the single market.

That's not where we are today. Where we are today is pretty much normal politics. All the current issues on the agenda of the EU are not should we build it? How much further are we going? How much faster are we going? It's what should we do with it? How liberal or regulated should the single market be? How liberal or regulated should the services sector be?

How do we liberalize the energy sector? How liberal or restrictive should European migration policies be? How Keynesian or Monitorist should EU monetary policy be? And so on.

These are just standard questions that you would get in day to day politics for example, in Washington, D.C. or in London or anywhere else. This is normal politics. When you get normal politics, you get winners and losers. Some people want to move existing policies in one direction, in a more liberal direction for example. Some people want to move existing policies in a more highly regulated direction for example. And so you get clearly ideological battles over these policies.

What's happening now in Europe because of the way the institutions work and because the fact we have 27 member states, we're getting almost no policy outcomes on any of these policies. The EU is almost incapable of addressing any of these major policy issues it's currently facing. And what we get is lowest common denominator outcomes like a couple of

things I put up here, the Takeover Directive. This was an attempt to harmonize national standards on governing hostile takeover bids that ended up being "not worth the paper it's written on", a quote from the commissioner who initiated the policy. The Services Directive was another, it was an attempt to integrate the services market in Europe which was a very, ended up again being pretty useless policy outcome which could initially have been something very interesting for the European market.

So Europe is failing. And it's facing, just to kind o reiterate the challenges Europe is facing, sometimes in Europe people say, well these are not Brussels' problems. These are sort of domestic issues. I mean, some of the key things are clearly domestic problems like, you know, demographic changes, lack of investment in education and skills in rigid welfare states. But there's a whole host of issues that are related also to European level policy questions; how labor markets work and the EU regulations of labor markets. European policies on

immigration and also societal integration for example, we have in Europe a non-discrimination directive that covers non-discrimination in the work place on the grounds of race, ethnicity, and a whole range of other issues.

So I think these are really fundamental issues, Europe is incapable of addressing them. The Lisbon Treaty will not help them address them.

This links to another really difficult problem, which is really low public support for European integration. So the red graph here is from the Euro-Barometer surveys. These are surveys all across Europe conducted by national opinion polling agencies and not the European Commission. And they ask a batch of questions to proper samples in every member states. And this is the percentage of people in Europe who think their country's membership of the EU is a good thing. You can see it rose in the 1990s in the build up to the single market and then we saw a dramatic decline and it's been hovering just above 50 percent for over the last decade. So we are now in a

situation where one in two citizens of the EU think their country's membership of the EU is a good thing. That to me is an extremely low basis on which to base public policy, particularly policy change. Particularly if you are trying to change policies and people perceive they may be losers from these policies.

The blue line here is growth rates, annual growth rates in the EU member states. And the reason why I do this is you can see up to this point they go hand in hand. So when the economy is growing people like Europe, when the economy is in decline people don't like Europe. But from this point on, from the late '80s, early '90s to the present you've seen economics and attitudes toward the EU going in different directions.

This is because the public now recognizes the EU as something more than just economic integration. They see it as a political project and when they think about the EU, they think about I don't like, if you're a small businessman, I don't like

Brussels red tape. If you're the Left in France you say I don't like the fact that they are liberalizing services sector markets that might put me out of a job. So you know, these are fundamentally political issues. They're not just about economic performance.

There's been a decline in support across all social groups. So this is from the peak in '91 to 2006 data, sorted by the magnitude of the decline with the smallest decline at this end and the largest decline down this end. What you can see from this is although there's been a decline across all social groups; the largest decline in support has been among low skilled, lower education groups in society. Europe is benefiting largely people with the capacity and the skills and the resources to benefit from market integration in Europe. And people at the lower end, particularly in Western Europe, unskilled workers in Western Europe are perceiving probably quite rightly that they're not gaining so much from market integration in Europe and hence, their support is very low.

There's a large elite mass gap. This is from a survey in the late '90s that the Commission asked amongst the elite, when they got the results they didn't ask it ever again. So they asked, they identified about around 200 members of the economic political business cultural media elites in every member state. They didn't ask me. And they asked them the same questions they asked in the mass survey at that time and so the blue lines here are the percentage of amongst the elite who think their country's membership of the EU is a good thing and the red lines are the percentage amongst the masses, everyone else, in the general survey. You can see Ireland with the smallest gap, Luxembourg pretty small, Holland pretty small and bear in mind the Netherlands and Ireland are two member states that recently have voted against EU treaties.

And at the other end, the largest gap is in Germany, Sweden, Austria, Belgium, UK, and in general the elites are relatively homogeneous in their attitudes toward Europe and the masses are some

support them, some don't. But you can see a big gap between the perception in the public that Europe is an elitist project and it's not really benefiting the people.

So this then links to a third problem which is the famous democratic deficit debate. In procedural terms you can easily say the EU is democratic. We elect our governments, you sit in the Council, we elect members of the European Parliament who sit in the European Parliament and indirectly the MEPs and the governments choose who sits in the Commission. The Executive of the EU and we have free and fair national and European Parliament elections. There's lots of checks and balances. How undemocratic can this thing be?

In substantive terms, however, the EU works much more like a form of enlightened despotism. In a sense, you know, with all of these checks and balances and these forms of indirect representation you can say that on average policy outcomes from the EU are pretty centrist. But we don't know a priori whether this is

really what the positions would be if there was really a public debate about some of the things the EU is doing. And bearing in mind that close to 50 percent of laws now enforced in member states in Europe emanate from Brussels. But we don't have any kind of open contest or debate or dialogue about what should be the direction of the EU policy agenda on these now highly political issues.

In national elections, although national governments spend about 50 percent of their time sitting in Brussels, they spend less than two percent of their national election manifestos talking about what they do in Brussels. They spend all the rest of the time talking about what they're doing back home.

In European Parliament elections, although they are every five years across Europe we directly elect the European Parliament; these elections have nothing to do with Europe. They're midterm national contests. I'll show you a graph in a sec. And we have no identifiable governing elite we can say these are the people governing at the European level and no

identifiable alternative or opposition, which is the basis of what we really substantively think about as a democratic organization.

So this is a graph that shows the performance of national parties in European elections. So the x-axis here is the vote share of a party in their last national election and the y-axis shows you whether they won or lost votes in the European election. What you can see is parties in government lost and the bigger you were the more you lost. Parties in opposition didn't lose so much, but the big parties did. So the big story about European Parliament elections is the classic midterm contest. It's like a midterm Congressional election. Governing party loses, the guys who win the presidency loses. Part of this is the stay home effect; part of it is just a protest effect. It's got nothing to do with attitudes or policies of these parties or Europe.

So this is a really difficult situation. Treaty reform is not going to fix any of this. I actually think what we need because of the subjects

that are now being discussed in Brussels and the type, the policy agenda of the EU is we actually need more politics. You mention this in Brussels and they go, oh my God, not more politics.

Politics I actually think is desirable.

There's a reason why you could say I'm a political scientist, I should think this. But politics I think is a good thing. It promotes policy innovation and joined up thinking in a sense we don't have in Europe any joined up thinking across different policy areas because there's no incentive for elites to do that. So you get an ideal outcome in one area, for example, where we have the EU forcing governments to liberalize labor markets. And we get an ideal outcome in another area where we have for example, the EU forcing governments or preventing governments from borrowing money.

Well that makes no sense across those two policy areas. I mean, most examples are when states have actually liberalized labor markets; they're run actually quite expansion monetary policy in the short

term because the short term effects of liberalizing labor markets is people get laid off. But there's no possibility of this kind of joined up thinking at the European level because there is no politics. No incentive for you to do that. Politics would create sort of cross-institutional alliances which would help overcome these, sort of policy gridlock problems.

It provides incentives for the media to cover Brussels. You might think this is relatively innocuous, it's actually not. I was part of a group asked to advice the BBC on their coverage of Brussels, they were under pressure from the British Conservative Party who was accusing the BBC of being Europhiles. And the BBC asked a group of us to come in and they all expected us to say, oh no, the BBC is wonderful. And we all said what coverage of Brussels? You don't cover Brussels. And we showed data that showed such a tiny proportion on major nightly news programs that dedicated to anything that goes on in Brussels. In fact, the BBC is much more likely to cover relatively low-grade appointments to U.S. executive than it is

actually appointments of commissioners who have rights to initiate legislation that affect our daily lives as EU citizens.

And the head of the BBC News, this is off of the record I hope, the head of the BBC News looked at us and said with a straight face, we're an important country and there's a lot of things in the world we need to cover and so you know, there's other countries in Europe, of course they cover Brussels more than we do. Well, basically what he was demonstrating to us and it was some other things he was saying, too was that it's just not interesting. The British public doesn't understand it. They have no incentive to cover it. It's not sexy. The media markets in Europe are highly competitive. They're worried about how many widgets they're selling like any other market. If the viewers are going to turn off if they cover Brussels, then why should they do it?

One of the, Justin Webb who is the BBC correspondent in Washington who was a rising star in the BBC News team was originally posted to Brussels.

After two months in Brussels he begged them to be sent to Washington because he disappeared off of the news. There is no incentive for the media to cover Brussels. They don't understand it. So they only cover it as an us versus them and then they wonder why their publics don't understand it. So it's quite an important thing to actually give them incentives, give them some infotainment for them to be able to cover.

Politics enable people to form opinions about issues. If there's no political debate how do we know what we think? And this is one of the crucial things, politics provides a mandate for change. Barroso came in and said I want to have liberal services market, I want to have liberal takeovers directive, I have a majority on the Center Right in the Council, in the Commission, and in the European Parliament. I can do these things. And people said who gave you the right to say that? Yes, you may have these majorities but you don't have a mandate for this. If you have a mandate for these things you can get stuff done. And if you're on the losing side you

may say I don't like it now, but I'll tell you what. We'll win the next time around. That's how politics works.

What's interesting is the EU is already very close to this. The EU already has the possibility of a governing coalition to actually get stuff done for a limited period because the way the treaties have been reformed. So the same majority of governments and majority in the European Parliament now picks the Commission who initiate legislation and passes legislation. To me that sounds like a parliamentary system of government. Much more powerful potential coalition than exists in the US government, particularly under divided government in the US.

And we have in all of the institutions now very highly competitive ideological based behavior inside the European Parliament, inside the Commission, inside the Council. In a sense we already have highly politicized politics inside the Brussels Beltway, it's the public that don't see it.

This is data from the European Parliament.

These are cohesion indices. This shows you if you're a group of members of the European Parliament and you vote the same way together in every single vote you score one. If you're split down the middle in every single vote you score zero. Democrats and Republicans in US Congress score around 0.08 on a cohesion index. So the parties, transnational parties in the European Parliament are now more cohesive than the parties in the US Congress. That's the European Socialists, the Liberal, the EPP. They're now actually pretty cohesive parties and votes that, you know, as compared to voting along national lines. These are national groups of MEPs, so voting in the European Parliament is along transnational ideological lines and increasingly so. You can skip that.

The Council is an increasingly contested organization. These are the number of votes in the Council that are, the number of decisions that are by majority. Over 50 percent of decisions inside the Council are by a majority decision, not unanimity. And almost 50 percent of decisions and are adopted

have member states that actually go on record saying I lost. I'm not in favor and I lost. That's pretty remarkable. This is a sort of acceptance of being on the losing side on some issues in some periods in return for being on the winning side in other periods. It's no longer a consensual organization or purely consensual.

This is voting in the Council. Every dot here is a member state. The distances between the governments here are how often they vote together. So if two governments voted together in these Council votes, in every vote in this period, they'd be in exactly the same place. If they voted on opposite sides in every vote, they'd be on totally opposite sides. So what you can see here is all the red governments on the Central Left are over here, all the blue governments are over here, I want to say the Right and if you move, if the government changes from Left to Right. France one was a left-wing government, France two was a right-wing government. They move.

DR. BINDI: Except for Italy.

DR. HIX: Except for Italy. Odd things.
Denmark. You love to that Federiga.

But in general, voting in the Council is now also ideological. What determines whether governments are on the winning or losing side is not which member state they come from but what color their government is. It's not surprising when you think about what the issues are. Should this be, you know, higher or lower environment standards. Higher or lower labor standards. It depends on whether you're a social democratic government or a free market government.

The Commission itself, so here these are Left, Right positions on a Left-Right scale from zero to one of the national parties of the commissioners, not the commissioners themselves, the national parties they belong to. So that's the Prodi Commission, a moderate Center Left. That's the Barroso Commission, overwhelmingly Center Right with Labor, Mendelson here just slightly to the Right of the Center. So you see in the Commission as well becoming a much more partisan, ideological organization. And this is as a

result of the way the rules have changed in terms of the appointment of the Commission.

So what do I say, look there's already politics in Brussels, it's already going on. What we need to do is open it up. Increase the incentives for it to become more transparent. I think we need to increase the stakes in European Parliament elections to make them much more about Europe. To make the outcome of these elections actually matter. We could do this by changing the way the Parliament works internally to increase the resources of the largest groups in the Parliament.

Currently, all the resources inside the Parliament are allocated purely proportionally. I'm advocating making it a little bit more majoritarian. The Council is actually a pretty scandalous institution although it's a legislature. It's probably the most secretive legislature west of Beijing. Myanmar's actually west of Beijing, no. Hold on. The most secretive west of Burma.

Council, really we don't see documents that

are presented in our name by our government in the Council. So I'm a British citizen, my government goes off to Brussels, passes laws, proposes amendments to pieces of legislation in the Council and we can't see those amendments. We can't see who else supported that amendment by the British government, whether that amendment was accepted or whether that amendment was rejected. We have no clue about these things. You know, it's actually scandalous that we can't see this. Let's open it up. Let's really see what goes on. And this actually can be done by changing the rules of procedure inside the Council, not through treaty changes.

And in the final thing and this is probably the most critical, is let's have an open contest for the Commission President. We already had a contest last time round. We had about seven or eight candidates on the table five years ago. Bertie Ahern was then the chair of the European Council and he went around to the heads of government asking who they supported. He came to see Tony Blair in London and

they walked out of 10 Downing Street to the press and one of the journalists said Mr. Blair who are supporting for the Commission President and he said, well I'm afraid I can't tell you because it's subject of delicate intergovernmental negotiations.

Well that to me is baloney. This guy is the most powerful executive figure in the EU, he's got the right of legislative initiative, an extremely powerful office. We need to know who are elected officials are supporting for this post and why. And so we need to open this up. There should be rival candidates on the table, they should present what they're going to be doing for five years. We should be able to ask our political elites, our leaders of our parties in government in opposition who they're supporting and why and hold these people accountable for those people.

So the book finishes with a scenario of what might happen next year if there was a contest for the Commission presidency and when I wrote this a year ago, about eight months ago, I thought this wasn't

going to happen and actually now it's starting to happen. So I'm a little bit more optimistic.

So I have a scenario that says that the transnational parties meeting as heads of government or heads of national parties propose candidates. The candidates bear no relation to real people, of course. So Margot just happened to be a Commissioner in the last in the Barroso Commission. Dani is a French politician who got famous in the 1960s. Andris is an Estonian Prime Minister. José is a Portuguese politician, not José Mourinho, it's José Barroso. Berti probably wouldn't become a candidate, but when I wrote this he might have been.

So you know these are prominent politicians, what's interesting is the Greens are already saying they're going to propose a candidate. The Liberals are already saying they're going to propose a candidate. The EPP are likely to back Barroso for a second term. The Socialists are divided. The Socialists are split on whether they're going to propose a candidate. The European Parliament could

invite these people to the European Parliament to have a debate. They already have a live debate in the European Parliament on the battle for the presidency of the European Parliament. They could easily do this for the presidency of the Commission on their streaming live EP webTV. Tune in if you've never been on it before. They have simultaneous translation already set up in the European Parliament. It would be pretty easy for them to do this, although the candidates, no doubt, have most of their debate in English as they do for the presidency of the European Parliament debate.

There's then the elections in June. But what I do in the book is I show the type of things that these candidates would stand for to illustrate that there's politics in Brussels, there are some clear choices that would be made about, you know, EU environment policy, social policy, migration policy, services sector policy, energy policy, and so on. There are some clearly political decisions being made.

Now in Brussels the candidates from their

different party backgrounds would have very different views about these things. This is the European Parliament. This is the make up in 2004. This is my best guess right now about how the European Parliament is going to look next year. The key point here is that the Liberals sitting in the middle, Liberals in Europe means wishy-washy Centrists. But Social Democrats, Liberals, EPP, Greens on the Left, and some parties to the Right of EPP. What you can see EPP will say we're the biggest group. But it's clear they don't have a majority. The Liberals will be pivotal. It's not clear from the European Parliament that they have an in-built majority to reappoint Barroso.

This is the Council with new calculations after the Italian election results. These are the heads of governments. It's the Council who nominates the Commission President and the European parliament ratifies the Commission President, or the proposed Commission President. Votes on it.

So the nomination would have to come from the European Council, these are what would be my best

guess right about how the European Council will look in July of next year when they have to nominate. The European Council, it looks like it's heavily Center Right, but they don't have a majority. They have a majority in population but they don't have a majority numerically. They would need to get the support of some of the Liberals to back their candidate. So again, the Liberals might be pivotal and the Liberals depending on what the Socialists, if they put up a candidate off of the Liberals. We may get somebody else than Barroso.

I actually think Barroso would be strengthened by this even if he did risk the possibility of defeat. He's right now likely to win it, some kind of contest. And he could actually say, now I do have a mandate. Now I can actually get things done. You the French government or the German government might not be fully committed to what I want to do, but actually I have a majority behind me to actually do some of the things I've been promising to do.

The Center Left wouldn't like it, but they already don't like what Barroso is trying to do, so why would this make much of a difference? And they're more than likely to win next time around. The key point about democratic politics is what we in political science call loser's consent. Loser's consent means that if you lose elections you don't say I throw the baby out with the bath water. I'm totally opposed to this political system. Loser's consent means that you look to the future and say, yeah I lost this time around, but I tell you what I'm going to win next time around.

Research has shown that if you support a major political party and you lose two elections, you still say it's okay. You lose three elections and you start saying, I want electoral reform. I want constitution reform, it's not fair. So watch out guys. This might happen.

DR. BINDI: It sounds familiar.

DR. HIX: You lose four elections and you start saying, succession. This is what the research

shows.

So, you know, but loser's consent means you on average think you have a reasonable chance of winning next time around. So this is what we need to develop as a possibility in Europe.

To sum up then, we have some really fundamental problems face the EU. I don't think the do nothing is an option, because I really think there are some, I really do worry about declining support for Europe and I worry about the inability of Europe to address some of the key policy questions facing the EU. Further treaty reform is highly unlikely with 27 member states and with the debacle over the Lisbon Treaty, and probably wouldn't address these types of issues.

The British government and several other governments in the Commission like to say, let's focus on policy reform. Let's focus on labor market liberalization and reforming the cap and reforming the services sector. Well, fine but it's not going to happen. It's not going to happen because they don't

have mandate to do this. It's not going to happen because how do they overcome gridlock. It's not going to happen because of low levels of public support.

So I think they should really start thinking about opening the EU up to limited democratic politics. And it's relatively low risk with so many checks and balances. The winning majority would have to be such a grand coalition anyway to get stuff done. It doesn't require treaty reform and there is potentially high benefits. Thanks.

MR. ANDERSON: Thank you. Well, among other things we've learned why this election is so important for the Democrats - think succession is an option, unfortunately.

I'll start off by telling you about four weeks ago I sat down to review a book on European Democracy. I won't give anymore indications of which book this was, but a day after finishing the book I actually emailed the editor and begged to be let out of this assignment because I disagreed with everything in this book. I mean it was, it's possibly the worst

book I've read since I started my academic career and I felt I was too young to go on record as a curmudgeon. I wanted to be able to say something nice about it. I was talked into doing it so that task still lies before me.

As I read this book I wished that this is the book that I had been given a chance to review because I would have been on the opposite side of the spectrum. I think Federiga mentioned the word debate in her introductory remarks. This is not going to be a debate because I agree with virtually everything that Simon's written.

I have some questions for him that I hope will launch some questions of your own. But in my opinion Simon has done for European Union studies what Bob Dahl did for democracy studies about 30 years ago with the publication of "Polyarchy". That is he takes an important, but in some ways overly complex and in many ways convoluted field of inquiry. He reframes the question and the debate and then he cuts through to the essence of the matter in simply, deceptively

simple and engaging analysis. And I think this book is going to transform for the better, the discussion about the emerging system of European governance and in particular the debates about the EU democratic deficit.

Simon has done a wonderful job of explaining the basic argument of the book. I'm going to highlight some of those things for you because I imagine many of you have not yet had the pleasure of reading this book. And then I'll close with a few questions and I'll try to do this very quickly so that there's plenty of time for you to get involved.

I see this book as having three major takeaways, as is currently the phrase now, in consulting, that is, he's given us three things we ought to be thinking very carefully about; one, that the EU finds itself in a new phase, a new and in some ways permanent phase. It's gone from the challenge of market building to the challenge of economic reform, and that requires a different kind of politics.

The challenges of market building involve decisions that make everyone better off. It's the politics of paradox optimality, as he calls it. We're now in a phase, or I should say the Europeans are now in a phase where market reform decisions entail winners and losers.

So the requirements of politics and the implications of politics are very different, but the old politics are still being used, the politics of consensus, and that's a mismatch that has to be corrected. The second takeaway is that, as you said, the problem with the EU is not that there's too much politics, but that there's not enough politics. And the difficulty, indeed, the danger is that because of the current state of affairs, public opposition and discontent ends up being directed at the system itself, that is, the EU and the integration process, and not at those who are running the system at any particular point in time, and that has to -- what we would call in the nation's day context the government of the day.

And because there is no perceived government of the day, these discontents pile up on the system itself and lead to alienation and disaffection, which obviously can't go on forever.

And what's needed, as you said, is a more open and transparent system of what Dole described as public contestation, that is, fighting openly for political power for a limited period of time.

The third takeaway is that the essential components for a limited democratic politics are already in place. In other words, because of changes that have occurred in recent years, there's really no need for further amendments to introduce limited democratic politics within the EU. Put another way, the finale politique is here, although most people don't realize that, certainly most people working in Brussels and in the nation's capitals. And that finale politic is already being utilized and needs to be incentivized and spurred along in order to create these beneficial effects that Simon outlined.

Now, what are these benefits? Well, the major one is the filling, to try to stay with the metaphor, the filling of the democratic deficit, that is, limited democratic politics will create lines of accountability both to the electorate and within the EU constitutional or institutional framework, it will create political mandates for tackling the important reform agenda that lies before Europe, and it will also have the effect of educating the electorate.

The European electorates will receive clear choices. These choices will underscore the relevance of the EU and the EU level of politics, and it will generate much more interest in things in EU than currently is the case today.

And as with earlier contributions to democratic theory, Simon describes these benefits in ways that, well, they're not the intended goals of changes in the EU process and behavior, EU elites aren't going to set out to achieve these things, they're going to be competing for power, but in the process that is the byproduct of this competition for power will be

these very real and important benefits. Now, of course, where the rubber meets the road is the question, how do you get there, how do you get there from here.

And I think Simon is certainly correct in saying that the issue at this point is not so much procedural institutional as behavioral, that is, the key actors in the system need to start behaving differently in ways that then reenforce in a virtuous circle kind of way these important dynamics that he's outlined or prescribed.

I also think he's correct in suggesting that the procedural push that's required at this point, to the extent there is a procedural push that's needed, is fairly modest in scope. The various reforms or changes in practice that he outlined with respect to the European Parliament, the Commission, and the Council are all easily within reach, they don't require much in the way of major decisions or major pain on the part of any one particular actor.

But there are questions, and I'd like to pose three of them at this point. One, you know, are we

looking at an exaggeration of the tonic effects of more politics in the EU? If you think of -- I mean the kind of agenda that Simon has pointed to, labor market reform, social welfare reform, other kinds of regulatory reform, these are being tried at the national level throughout Europe, and not with much success. If you look at the German case, which institutionally comes closest to the kind of decentralized concensual politics that Simon is advocating, there's gridlock there, too.

And so it would be interesting to know why things would work perhaps more efficiently and with these kinds of beneficial political side effects at the EU level when they are having such a difficult time getting off the ground at the national level.

A second question, and I think more fundamental, you know, is there enough of a common foundation of interest on this left to right spectrum across the European Union space to support or sustain the kind of coalition building that Simon wishes to see?

Much of the partisan and coalition alliance building that Simon points to that is within the

European Parliament, that's currently taking place between the European Parliament and the Commission and the Council, presumes a commonality of interest within the broad political camps of Europe, left, center, and right. And I think there's something to this notion, but I wonder whether the major reforms that he highlights in this book are simply too difficult to tackle in a European mode. These major reforms, and I mentioned some of them already, the labor market, the welfare state, represent in some ways the core elements of the national political economy in each of these countries.

And as we know, there is no such thing as a European political economy within the EU, but a collection of distinct and rather distinctive political economies across the EU space. And I'm referring here, of course, to the varieties of capitalism concept. The notion that there are differing integrated institutional configurations of political economy that hang together in a very real sense and that confer both institutional

comparative advantage and disadvantage to these nation states.

So if you think in terms of varieties of capitals, and one also knows that along with these different institutional configurations go different configurations of interest on the part of labor, business, and the state. So the question is, will these differing types of political economy, these different varieties of capitalism within the EU work as a basic constraint on the alliance building on key issues that Simon wishes to see? Will the national containers of politics and economics, in other words, impose limits on the spread of limited democratic politics within the EU, that is, the left in Germany will see its interest in labor market reform very differently than the left in France, or the left in the UK, or the left in Italy, or the left in Poland, and that will represent a basic barrier to the kinds of fruitful cooperation and interest aggregation that you would like to see at the Brussels level.

Finally, assuming there is enough of a common foundation of interest left to right across the European space, how do we get this virtuous circle of behavior started? Simon mentions the importance of crisis in motivating elites to start behaving differently at the EU level.

In fact, toward the end of the book, he seems to suggest that it is the EU's crisis of legitimacy that is the very condition that has led him to write this book that is sufficient to get the ball rolling.

I'm not so sure. I suspect it's going to be another kind of crisis that is going to unleash these dynamics, and that crisis could be cultural in the form of a rejection or a version to further excession or further enlargement of the EU, the Turkish question, it could be economic in the form of a major recession. I'm thinking here of the parallels to the 1980's and the decision to go with a single European Act as a response to perceived changes in the international economic and security environment. It could be political military involving security, a major terrorist act on European

soil that prompts action, it could be something as defuse and incremental as climate change.

And it would be interesting to spin any one of these crisis out and try to understand and predict how these particular types of concrete crises might lead one or another actor at the EU level to start behaving in the way that Simon believes is necessary in order to change the way the EU works and to address this fundamental democratic deficit.

But in a way, those are kind of minor points. I think the bottom line here is that this is a wonderful book, and you all ought to go out and buy a copy if you haven't already.

SPEAKER: Just a few quick responses before you open it up. On the -- in reverse order, on the crisis thing, the EU is not in crisis yet is probably right. But there are other things going on that I think are now leading to pressure to do something like this. For example, and I didn't expect this. There's been treaties introducing a new President of the European Council, which you may have heard described as the

President of the EU, it's not, it's the Chair of the quarterly meetings of the European Council, it's a part-time position for a part-time politician.

But we're now in a situation where we're going to have two figure heads in the EU, one with all the prestige and no power, the President of the Council, and one with all the power and no prestige, the President of the Commission. The person who now wants to be the President of the Commission is very worried about this.

But also, so I hear, is talking about, how do I do something that actually raises the profile of the Commission President so that the Commission President, it's clear to everybody, is the one with the mandate to do the politics, and this person is just a monicker who sits on the hill.

Well, let's have a contest. So this is -- it's really interesting, I didn't expect this. So, you know, it's pushing in the right -- in the same sort of direction. But in general, you're right, with these not yet in crisis, and my frustration partly with a lot of

the British government's position on these things is, on the one hand they will tell you, we really want reform, we want change, we want all these things done, and then on the other hand they say, well, but we don't want to do any of this, because that smacks the EU as a super state, and can you imagine what the British press would say if we came out in favor of this kind of thing.

So they're happy to go around -- they're happy with the status quo, which is the EU really is stuck. They don't like the fact it's stuck, they want to get it moving, but they're not prepared to take that next step yet.

On the divisions, I actually think -- I disagree with a lot of the varieties of capitalism, and other people have written about this in the following sense; I have actually seen, and I argue this in the book, growing convergence in the basic models of capitalism in Europe, and especially when you stand in other parts of the world.

And, you know, I spent a year in California, I spent some time in East Asia, in Korea, and Japan, and

when you're in other parts of the world, you look to Europe and you realize there really isn't that much difference in the European models of capitalism. If you stand in Denmark and look out, that means you have the world, and Britain is way over there, and the U.S. is just the other side of it, but it's not. We all have similar models. You will have very, very liberal markets, and we're gradually -- most of us who don't have liberal labor markets are liberalizing them. On the other hand, we all have incredibly generous public spending. Even in Britain, we now have 43 percent of GDP in the public sector. Predominantly the increase has been spent on health care and education.

So we all have generous welfare states and liberal markets, that's the essential model we have. Almost nobody in Europe doesn't have that model. Even in Ireland they have that model. In Estonia, they're moving towards that kind of model by now increasing public spending.

So in a sense, the basic -- it's not huge, the variation in Europe relative to the rest of the

world. You're right that there's some, for example, the left in Britain is probably to the right of the right in France. But still, the right in France is more favorable towards labor market liberalization than the left is. And still, the left in Britain is more favorable to general non-discrimination stuff from the EU than the right is. So, you know, it's relative. And I think a coalition will be built, let's say -- but also is trying to build a coalition, which was the center right, the liberals, plus the more liberal elements of the social democrats, and that was the coalition he was building.

You could think about an alternative coalition being built the other way around, which would be the social democrats, the liberals, and some of the more left -- the Christian democrats. I mean -- so I think it's not inconceivable to think that even within the constraints, it's possible.

Am I over emphasizing the positive effects of politics? Yes, but I think there's trade-off's, and

what I worry is that unless we do something like this, then the EU really may well be in crisis. Thanks.

SPEAKER: Are there questions? And if you can, please identify yourself. There is a microphone. And if you could also identify yourself.

MR. COLE: Thomas Cole, the European Commission Delegation and former LSC alumnist. I was very interested in the results that you took for the -- poll as I wrote my own -- my master thesis last year at the LSC using the states. I think one of the things you didn't focus on was identity towards how people feel, if they feel European -- and that's something -- I think something that you maybe could have included. From the research I took out last year, I discovered there was a greater feeling amongst European citizens towards feeling European in the middle of the 1990's, but I subsequently did. What is your feelings towards how a potential European identify can be further increased in the next few years, and what role do you think the European Commission could be playing in doing that? Thank you.

SPEAKER: Hi, Antonea Reese I come from -- University in Spain, and I'm here as a visiting fellow in the Washington Institute for -- Policies. And my question has to do with -- it's actually related to the last one, it has to do with public opinion, which you has mentioned, and shows some data about -- but I mean only to show us that that is a problem. And I -- well, I don't know if that happen in the book because I haven't read it, but perhaps you can answer that.

It's like there is an assumption that after these reform are implemented, public interest, public support will -- not mechanical way. So perhaps you -- a little bit more on the -- I mean you mentioned the -- that's one thing, but is there any other way mechanism, how do you foresee in the -- that might have public opinion and the increase of public support for the -- thank you.

SPEAKER: I sadly had the advantage of reading the book, but I do perhaps have an interest in - - that I'm the present public diplomacy man from the European Commission delegation just down the road. So

I'm not quite sure whether I'm speaking on or off record. I'm speaking on record, but I'm also speaking fairly personably.

I would absolutely agree, and it was an interesting point brought up in the second -- by the second speaker, whether or not there is a broad coherence around an EU model of political economy, and I absolutely agree with your side on that.

You only have -- it helps to be out of Europe to see it, but there is actually, I would say, having been out of Europe now for a little time, there is actually much greater coherence than I think many people within Europe understand themselves. It's quite a remarkable achievement, I would say, that there is a lot of argument. But there is a broad agreement on the balance socio economic model, I'll put it that way. I also absolutely agree that one of the greatest challenges that we have is to address this issue of the democratic deficit. It's a shorthand for a whole series of things that you've mentioned. But I do think that it's very important to put that into the context of a

consistent decline in political activity, not just in Europe, but political activity in the '90's and the earliest part of the new century.

I mean the political ferment of the '60's and '70's and '80's seems rather a long time away. And it's equally true, it's not just a European phenomenon. I mean I would say it was a very strong American phenomenon until the primary, which seems to have actually reversed the trend fairly significantly.

But I'm not sure I fully agree that Europe, as presently constructed, and the institutions of Europe, as presently constructed, are incapable of addressing some of the major new challenges we face. I don't think things are perfect by any means, but I draw your attention to the issue of Europe and climate change. I'm not saying we got everything right, but one doesn't have to look very far to see that we're getting many of the things right and we're doing it with considerable and remarkable dispatch. So I'm not sure the situation is nearly as bleak.

And the other issue is, I'm not sure we need a crisis to jolt us into addressing, if you like, the new phase. And I absolutely agree, I think Europe is going through, or going into a new phase. What I think perhaps we do need is a new idea. There's no such thing as -- there's no equivalent yet, I would say, of the American dream. I think it's very important, especially for the younger generations, to understand very clearly what actually drove Europe so far in the immediate post-war period, and that was the total failure of our political and economic systems up to then, the total disaster that we faced, and that was a very strong incentive to do things differently and to do things in the very careful bureaucratic way we did.

And one should never underestimate what that has achieved. It's achieved the unification of Europe, it's achieved a Europe where, frankly, into -- into European conflict, which don't forget, we fought like cats in a bag for centuries, okay, so a lot has happened. But I think it's, in a sense, a new European

dream that we need to be working for rather than a crisis.

SPEAKER: One more.

MR. PIPER: Steve Piper from Brookings. My question goes to what it's going to be like for outside actors, I mean if the processes that you describe go forward and you have this greater democratization of European politics, does that new European Union, is that an entity that will be easier or more difficult for the United States or the European neighbors to deal with, and by easier or difficult, I mean in terms of knowing who to talk to and knowing that you can talk to the European Union and expect steady, predictable policy. Because it seems to me that democratization can, you know, be one way or the other.

MR. HIX: Okay. You know, Europeans, some of you may have asked me questions I always get asked, which is how can we raise public support for Europe, and you know, the Commission, give us the, you know, the silver bullet so we can go out and the people will love us.

Probably, you know, information campaigns about Europe, the evidence shows, doesn't actually raise peoples' awareness about -- it raises their understanding about Europe, but one thing it raises also is, they understand that some of them win and some of them lose. Telling them about Europe is not just providing more information, it's not sufficient to increase public support for Europe.

In fact, support has gone down amongst a lot of those groups that actually realized that market integration in Europe has allowed their jobs to be at risk, or small businessmen realize that there's Brussels red tape that now comes out of Brussels and not out of their national capital. Before coming to the states last week, I was presenting in Italy, in Milan on the book, and on the flight on the way out, there was a British guy sitting next to me on the plane who manufactures hard disks that go in t.v. boxes that allow you to pause and record and this kind of thing, and he asked me what I did, and I was like, oh God, and why am I going to Italy, and I said I'm presenting this book,

and I showed him the book, and he said, oh, I can fix the EU, let's abolish it.

And, you know, but I asked him seriously what he meant by that, and he said, well, you know, I said, look, could you seriously exist as a business without the single market, he said no, no, I couldn't, can't we just have the single market.

And, you know, the point -- he kind of accepted the idea, you know, they take it for granted -- European citizens take it for granted the benefits we get from the existing level of market integration, not just economic benefits, but, you know, the fundamental change in our consumption patterns, just -- and what was going to be a potential referendum in the UK, we were designing a poster for the British government that had on one side of it British supermarket shelves in the 1980's in black and white, with sort of horrible tins of English food, and then on the other half, a kind of color testcos shelf with kind of Italian wine and mozzarella, and you know, all the rest of it, and it said, in the single market, you know, and people take

for granted just fundamental change in consumption patterns as a result of market integration in Europe, and they take for granted just, you know, the massive production in transactions costs that have come from the single market, or opportunity to travel, to retire.

But that's all been done now. And the question is now, you know, the position is, what are the -- of people and what comes next. And, you know, whatever the EU tries to do, except climate change, this is really the one exception where I can see that there's overwhelming public support for Europe, across the left and right, to act in a particular way, almost on every other issue you will see some people say, I want the EU to do this and some people saying I definitely do not want the EU to do this, and that's exactly the problem we're living in now.

My 94 year old grandmother says to me, oh, Simon, you talk about politics, it's a luxury not to worry about politics, in my generation, that was all we had to worry about, and in a sense, she's right, it's a luxury not to have to worry about politics, and maybe we

need to go through a period of not worrying about politics, but it'll come back to bite us. I think this is a temporary blip in Europe.

What's interesting from the European perspective looking to the U.S. is how vibrantly political these U.S. elections are from the European perspective, especially relative to the Italian elections, which last week were just about the most boring Italian elections we've seen. The last British election was incredibly dull.

You know, politics -- I don't think it's a secular decline in terms of interest in politics. We've seen massive mobilization of young people in these U.S. elections that nobody could have predicted before, and I think that just happens, it goes through phases, and I think we'll get to the stage where it'll come back in Europe.

But the question is -- so I think we need to -- part of the way of reinvigorating politics in Europe is injecting some political debate into what goes on at the European level, because all the evidence suggests

that European citizens do care about some of the issues that are on the table at the European level, immigration, for example, national immigration policies. One of the things, for example, that's hugely salient in some countries in Europe is the fact that as a result of EU law, we cannot impose fees in higher education to students from other member states coming to our state.

In Austria, for example, this was a huge case in Austria, where Germans who couldn't get into medical school in Germany could go to medical school in Austria for free because Austrian citizens go for free. And so, you know, we don't have -- we're far more integrated in Europe, in a sense, than you are in the U.S.

And national governments can't discuss this, no, it's EU law, no, we can't discuss it at the European level, no, it's ECJ juris prudence. This is a massively salient issue now in Europe, because people are saying, why is me -- my citizens, my tax payers, I'm paying out of my taxes to subsidize my universities, to pay for my universities, yet people from other member states can come and go to these things for free, so they can just

free ride on me paying my taxes, a kind of California State University debate, you might argue. So I think there are hugely salient issues, it's just not politicized, it's not really discussed, because they're off the agenda, and the public hates this stuff. The public in Austria was furious. This was something that just could not be discussed either in Vienna or in Brussels. Anything else on this? No, I think I'm -- outside actors, yeah, I actually think it would be a lot easier, particularly given what is now happening with the Lisbon Treaty.

You know, the famous Kissinger quote, "I'd like to phone Europe, just give me a phone number." Well, there's now going to be three or four or five, depending on how you count. There's going to be the Commission President, and the President of the European Council, and the high representative for Foreign Affairs, and the Foreign Secretary for a Minister of the country holding the rotating presidency of the lower Council, so there's actually four, and the President of the Euro Group of Finance Ministers, that's five, and

then the Prime Minister of the member state of the rotate.

One of the big discussions in Brussels right now is something they hadn't thought about, which is where does the Prime Minister of the member state holding the rotating presidency of the Council sit in the photos at the European Council Summit meetings, because he hasn't got any official role or responsibility under the rules of the Lisbon Treaty anymore. They can hold the flowers perhaps. This is the kind of mess we're in. And so I think, you know, one way out of this mess is to find some way of saying this is the person which is the political actor, the chief executive of this organization, of these different bodies, and the clear person to me is an obvious choice, it's the Commission President.

The Commission President has the right initiative, the Commission President is the first among equals in effectly the cabinet, the Commission President now has the power to shuffle and hire and fire the

commissioners, especially once the Commission is going to drop below one commissioner per member state.

It's obvious to me this should be the person that should be the person we point to and say, this is - the buck stops with this person, this is the person who's accountable. So in the short term, you'd be able to say, that's the person we should talk to, in the long term, they may lose their job, and then the next one comes along, but that's politics.

MR. VERNICK: Good afternoon. My name is Chris Vernick and I'm a journalist based in Washington, but before I came here in 2005, I was eight years correspondent in Brussels, and for that reason, I just - I have to express how amazed and fascinated I am by this presentation. I mean partly because I'm two and a half years out of the mess. But you really summed it up in a wonderful way, and I'd really like to stress the point, it's all about politics, and the kind of lack of politics is one main reason for the lack of knowledge and also the lack of media coverage.

I might add that the British case, and PBC is still the best, but the case of the British press is probably the worst in the whole European Union, because to the disadvantage of the UK -- the first cut being penetrated by the -- press.

But I'm full of anecdotes by colleagues who -- personally a lot and could tell you how the media had treated, I mean serious press, even independent, and the times, how they manipulated news on Europe.

To my question, so I'm totally in agreement with your proposal, we need more politics, we need more power fights, we need to combine the different institutions more in accordance with party lines. Now, the problem is, first, that once -- they started that already, as you know better than I do. The problem is, so far they're doing that behind closed doors, because they have a kind of bad conscience. The old political class in Brussels isn't used to this, so you do that in secret. Secondly, if you start doing that, people in Brussels might have the basic consensus about the system.

The problem is, will it be backed up by the national states, by the member states, who are very used to having -- that they blame Brussels for everything that's bad, and that's a bit different, for example, to a regular nation state, for example, how many elections does it take until the first guy asks for a succession. And there I'm not so secure that the system will hold the pressure that you're asking for.

Now, I agree with that, that is it possible to get the heat without bursting the pot in a way? We've seen wonderful examples of where it was under control, like the discussion about membership of the -- Commission -- the -- discussion, which wasn't a co-part of the ridiculous discussion, but it was a wonderful help for me as a journalist to explain how the European government is built. And also, PBC covered that a lot. And most -- that wasn't -- almost European discussion, like the big discussion about the Iraq war. We don't always need a war or kind of -- these hot discussions, or even hotter discussions, that may endanger, because

of the media dynamics, 90 percent is national coverage. I'm not so sure that this will work out. Thanks.

SPEAKER: My name is Tarbon I am Public Policy Scholar at the Woodrow Wilson Center here coming from -- I wanted to ask you, what about the European Union -- and what do you think, do you have any comment about the next enlargement process, and you know, the very specific rule of you in this part of Europe? Thank you.

SPEAKER: I'm -- College, and -- Georgetown University. It seems to me there's fewer Commission people, so maybe they may not like what I'm saying. But wouldn't you say that the real winner of recent years is actually the European Parliament?

And certainly, if you look at the record of European Parliament, well -- the most political body, well, you know, European Parliament killed the service directive, simply to reform the -- I mean it seems to me that's -- actually blocked most of the reforms. So isn't it paradoxical that the more political bodies actually the ones who's actually blocking any kind of

reforms, and the less political ones, well, the European Commission is losing quite a lot of powers, and certainly the most accurate is probably European -- Luxemburg.

SPEAKER: One more.

MR. RILEY: Patrick Riley, formerly of the Scottish National Party. You mentioned one of your solutions that is kind of the European wide media and having the election in 2009 -- a war room from Brussels, and connecting local media up with you're not electing a laborer or a conservative MVP, you're electing a member of the EEP or the liberal democrat, so I was wondering how likely you saw that media strategy actually developing and how it would develop?

MR. SHAPIRO: Thanks; Jeremy Shapiro from Brookings. I wanted to ask a similar question about the member states, because just getting back to what Professor Anderson said about how do we get there from here, it seems to me, as was implied, and despite the interesting evidence you presented about ideological solidarity in the Council, the member states stand to

lose quite a lot from what you're talking about, and they seem to understand that. There's always been an institutional and political struggle between the member states and Brussels, and especially the larger member states understand this quite well and have been fighting this battle in a variety of ways since the beginning. So there's quite a bit at stake for them. And, of course, they hold a lot of the power, most of the power, arguably, in Brussels. So I'm wondering why they would do this, or even more getting at your scheme, why they would allow it since they probably have the possibility of stopping it. So how would you convince them to like your proposals?

MR. HIX: Okay. Would the public respond negatively to this type of politics, particularly if they perceived they're on the losing side? Well, yes, they would if it was very narrow majoritarian politics, but it's unlikely to be. And there are so many checks and balances and constraints on what the majority can do.

I mean the one thing -- I really agree with you, it's opening it up so that the public can really see what goes on. One of my favorite anecdotes is the end of life vehicles directive, which was -- you're nodding your head, you were in Brussels when it was going through. It sounds very boring, it's not a directive about hearses, it's -- end of life vehicles. But, no, it's a directive about what to do at the end of the car's life, what percentage of cars have to be bought back by governments or manufacturers, what percentage of cars have to be made or recycled or recyclable materials. The EU passed what is now the most highest in terms of environmental standards anyone in the world, 90 percent of cars when manufactured has to be made of recyclable materials, a large percentage of cars have to be bought back at the end of their lives under -- there's some discretion about how the member states do this.

The car manufacturers, depending on who you believe, reckon it's going to raise the price of cars between two and five percent, cars being the second

largest item of household expenditure in Europe. This is a major, major redistributive impact in terms of, you know, the costs it's imposing on either consumers or business.

There was one enormous fight in Brussels, with the environmentalists on one side and the producers on the other side and ideological splits in the Council, in the Parliament, in the Commission, it was all behind closed doors.

Everyone in Brussels knew it was going on and knew what the lines were in the Council, what the lines were in the Parliament. Nobody ever reported this in the press. I just didn't understand why. And the political editors are the gate keepers of this, and so they just didn't think the public was interested. Now the public is saying, who gives Brussels the right to tell me my car is going to be more expensive. Yes, you know, all the opinion polls have shown the European public was willing to pay a bit more for their cars and acknowledge they're more environmentally friendly, but after the fact, the public is now saying, who gives

Brussels this right, and this, you know, outcry, they're having real problems trying to implement or transpose this directive in a variety of member states because it was a sort of public outrage.

So, you know, opening this kind of thing up would illustrate to the public what the sides are in the debate, what coalition won in this type of debate, why that coalition won, to sort of understand, but it's not -- this wasn't along national lines, with some member states on one side, some member states on the other, it was a split between more environmentalists on one side, car producers on the other side, or manufacturers on the other side, and the public was split, and the parties were split, and the colors of the governments determined how they were in the Council.

It's a great example of the type of thing that really wouldn't be hard to explain to the European public, but they never do it. This relates to your question about the big member states. The big member states are behind this idea of the European Council President, because what they want is a President of the

European Council they can push around. What they don't like is this rotation the small member states hold in the Council presidency.

And you're right, it's the big member states who are resisting this kind of thing most. But it's not all of them, it's actually only Britain and France. Germany, Italy, Spain, I was asked to go speak at the Socialist Leader Summit in Budapest, which has now been canceled for a variety of reasons, but there's already a split in the socialists with the Poles and the Spanish in favor of the socialists putting up a candidate for the Commission presidency next time around, and the Brits -- and the French were so in favor, the Brits and the Germans opposed in the socialists.

The Brits are saying, we just don't want any politics; we want to pretend Brussels doesn't exist, and this will bring home to the public Brussels does exist and we want to pretend that it doesn't. And I don't think that's a very good strategy. It might work until the next election, and then they'll probably be out and they won't have to worry about it anymore. But I think

-- it's not clear that it's all the big member states opposed to this. And I think the big member states are all realizing they're not going to get what they wanted. And Sarcosian, his proposal for a reflection group, a new reflection group, yet another reflection group, was an attempt to really say, we can't do treaty reform, but Europe is not working, and we know that treaty reform is not the answer, what else are we doing to do?

So I think even among the big member states, there is a concern about how Europe is going to be working in the next few years, and they don't think the status quo is sufficient for that.

In terms of the European Parliament, you're absolutely right, it's the European Parliament's most openly political and partisan institution, but, you know, the European Parliament is blocking reform, interestingly enough. But this is the type of coalition that existed in the European Parliament on the issues that you talked about, the services directive, the takeovers directive.

But there's other examples you can point to, where the European Parliament has actually been on the side of the Commission or on the side of the Council in favor of moving things quite radically in a different direction. The European Parliament groups might take the initiative and actually nominate candidates themselves to the Commission presidency, they're already talking about those things, but they really would like it to be done with the leaders of national parties on their side.

But I think the European Parliament is definitely part of this role of pushing more politics in Brussels, and they're pushing the type of splits that you also see inside the Council, because you see the governing parties on different sides in European Parliament, and often when it gets to the Council, it forces the governments into difficult positions in the Council when their NEP's are taking different positions inside the European Parliament.

And national parties are finding it harder and harder to force their NEP's to do as they tell them.

We've seen this, for example, on the working time directive. Labor in Westminster tried to get the British Labor NEP's to vote against the new working time directive, which would abolish the British -- and they said no, we won't, because we're not pivotal in the Parliament, the socialist group as a whole is totally opposed, and if we go against the socialist group, they're going to punish us, they won't let us be rapators on a whole range of directives coming up, and we don't want to be in that situation, so I'm sorry, you know, we're just not going to do this. And we see this more -- I see this more and more, splits between the NEP's and national parties.

Patrick's question about 2009, European elections I think in the -- definitely in 2009, and almost certainly in 2014, are going to be national elections still. The only thing I think I can hope for at this stage is that if there is rival candidates for the Commission presidency, at least the issue is on the table. Parties have to then take positions, which candidate are you supporting and why, because the

European Parliament, when it's elected, is going to be voting on who that is.

And so, you know, when they go before the media, I would hope there could be a situation where one of the earliest questions a journalists -- Cameron, for example, is, if your group, your party is being elected and you're going to sit in the European Parliament in the EPP group, I assume then that means you're backing Baroso, the Commission President. And if it's Brown, and the socialists have supported someone else, they'll be asking him that tricky question, because the difficult thing for him is, he's backing Baroso, too. Finally, on the Balkans not my area of expertise, one thing I think I would relate this to is -- one potential negative effect of politics and injecting more politics into Brussels is, some of these questions become more politicized.

Turkey, for example, would be on the table as a political question in any kind of debate, and some of these more quasi constitutional issues, budget reform would suddenly be on the table, the cap reform would be

on the table. There's a whole range of issues which are not -- deliberately not politicized because there are splits within Europe, enlargement is definitely one of them. There's a whole range of other issues. I actually think that's not a bad thing.

I think we're only ever going to get stable solutions or resolutions to these issues if there is some political discussion and debate about this, where some kind of consensus will emerge through the process of politics.

I mean I actually agree with Dole, I'm glad you brought him up on this one, because I think among American political science, there's very much the view that democratic identity, democratic or public opinion follows from the process of politics, not the other way around. In Europe, we'd like to think that we have to have -- we have to wait for European identity, a European demos to spontaneously emerge and then we can have politics. I mean I like V.O. Key the great scholar of American public opinion who said there's no such thing as American public opinion until the 1930's.

Through the process of political contest and political battles and major political issues that arose in the 1930's was there such a thing as American public opinion. I think that's the same. We're not going to have European public opinion or European identify or any European position on anything unless we have democratic politics in Brussels. Thanks.

MS. BINDI: Okay. I would like to thank you, Simon and Jeff, for coming here and talking with us. I would like to thank you for attending this afternoon, and well, I hope to see you in some other events about Europe organized by Brookings. Thank you very much.

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