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Editor: Antonio Missiroli (Tel. 84147)

Assistant: Aurélie Therace
(Tel. 64925)

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EDITORIAL

by Antonio Missiroli

Crises without frontiers

There is no need to go as far back as Carl Schmitt to realise that crises, if properly managed, may turn into opportunities. Barack Obama's aides said as much – namely, that a good crisis should never be “wasted” – just after his election to the White House in the midst of the financial turmoil.

The European Union itself has gone through a number of crises lately. There have been really bad ones, such as those related to the long and painful ratification of new treaties. But there have been also less bad ones: in late 2008, for instance, the EU put up a good showing when confronted first with the conflict in Georgia, then with the credit crunch in the US – including their reverberations.

The sovereign debt crisis of the past few months, however, is in a category all of its own: it is one generated inside the EU but also one exposed to global influences and consequences. And it is a crisis that has disclosed structural weaknesses in the design of EMU that had hitherto been neglected, underestimated or deliberately overlooked.

On a much smaller scale, even last month's paralysis of air traffic across the continent – prompted by the ash from an unpronounceable Icelandic volcano – confronted both citizens and institutions with the kind of occurrence increasingly frequent in today's world, namely a major disruption of regular life and business that cuts across geographical borders and policy domains.

In both cases, remedies and solutions have been put in place to deal with their immediate and foreseeable effects. Lesson-learning exercises have been launched, with a view to assessing the implications of such real-time crises for policy – and decision – making procedures. In fact, “strategic surprises” are becoming ever more regular in tightly interconnected and globalised systems: as regulators as well as individual citizens, we have to prepare for the unexpected.

This issue of BEPA Monthly deals notably with these themes: the nature of EMU asymmetries as revealed by the Greek debt crisis, and the European solutions to date; the nature of “trans-boundary” crises and the general requirements for tackling them; and the nature of democracy in Europe in light of the demands and expectations of citizens and the capacity of governments (at all levels) to meet them.

1 From possible breakdown to desirable breakthrough

By Margaritis Schinas and Daniel Daianu*

Euro-pessimism is not of recent vintage; it has alternated with periods of high confidence in the European project during the past decades. Jean-Jacques Servan Schreiber's "Le Défi Américain" in the late 1960s, Michel Albert's "Capitalism against Capitalism" in the early 1990s, Hans Werner Sinn's "Ist Deutschland noch zu retten" and Nicolas Baverez's "La France qui tombe" a few years ago, epitomize our fears that Europe is a loser in world competition. Even though some of those fears proved overblown, they often served as a stimulus for further EU action.

Looking back at the history of European integration, one can detect a pattern of "from breakdown to breakthrough" in a number of defining moments: from the stagnation of the 1970s and 1980s to the launch of the Single Market; from the asymmetries of separate liberalised national energy markets to the birth of one Single Market for energy services; and from the food safety scares of the 1990s (from mad cow disease and dioxins), to the emergence of an EU food safety policy "from stable to table". More recent examples include the effective response to the threat of economic collapse in new Member States – which were among the most heavily hit by the 2008 financial crisis – and attempts to revive EU proposals for bringing about a single legislative framework for air traffic following the havoc created by the volcano eruption in Iceland.

Lessons learned: more leadership and more Europe

This history of downs and ups teaches us several lessons. One is that whereas crises bring about huge strains, they also create opportunities to move forward – because crises highlight weaknesses and policy blunders. A most meaningful lesson is that the best way to fight against crises threatening the fundamentals of integration is injecting more – not less – Europe into it. Nowadays, more Europe (namely, a better functioning Union) would offset costs of uncertainty

and declining expectations at a momentous time, when the Western world is entering an age of austerity and restraint.

Another lesson is that policies have to be pragmatic and not succumb to doctrinal fundamentalism. Timely action is essential. The complexity of the EU often makes forging consensus quite difficult. However, true statesmanship, leadership and vision can break deadlocks in times of great need. Last but not least, policies must not lose sight of what the EU has delivered over time in terms of added value. Indeed, the EU project itself is an incalculably important public good in Europe's modern history.

But it is also true that the current economic crisis is straining the EU, and in particular EMU, to an extent that finds no parallel in its history. There are new doubts over the viability of the single currency area. In a nutshell, the basic flaws of EMU are rooted in an incomplete economic union, which involves a non-existent fiscal union, insufficient real convergence, and ineffective policy coordination devices. A rule-based monetary union was probably good enough for the Maastricht founding fathers, and was also uplifted by the Great Moderation period that followed. But it proves totally inadequate in today's context of crisis and, arguably, in its aftermath.

The short-term response to the Greek problem and to its wider, systemic implications will act as a buffer and will certainly pave the way to a longer-term approach to EMU. The Union is now compelled to act – concomitantly – along two intertwined tracks. One is an extremely ambitious exercise in crisis management, which has to deal with contagion effects, to calm down markets' worries, to combat disruptive speculative behaviour and, not least, to consider the issues entailed by rescue operations and the ECB's purchase of state bonds. A second track involves an overhaul of the functioning of EMU, of its mechanisms and coordination devices. The crea-

* Daniel Daianu is a former Romanian Finance Minister and MEP. He is now Professor of Economics at the National School of Political and Administrative Studies, Bucharest.

tion of the Stabilisation Fund is indeed at the intersection of these two tracks.

A new breakthrough on the horizon?

There is now emerging cross-party and cross-national political support for the idea of EMU renewal – preferably à traité constant, as any Treaty revision would inevitably lead to the emergence of many other side issues that deflect attention from the core problem at stake. The Council EMU Taskforce established by the EU Summit conclusions of 25 March, the ECOFIN breakthrough decision of 9 May setting up a Stabilisation mechanism to shield the euro zone from potential threats, and the Commission Communication of 12 May have clearly set the stage for the desirable breakthrough to come. The Monti Report on the single market has also come at an appropriate time. Realistically, any future action will have to combine several elements:

Strengthening the Stability and Growth Pact in a wider conceptual perspective. Budget discipline remains key, and it is unfortunate that Member States, at various points in time, have been both saints and sinners in this respect. Rules for compliance have to be strict and enforceable. Strengthening the Pact's preventive arm through a system of ex-ante peer review of national budgets and stability and convergence programmes while at the same time reinforcing the corrective arm through more emphasis on fiscal consolidation are a must.

However, this crisis has made glaringly clear that strains in EMU cannot be averted unless proper care is taken of other macroeconomic imbalances. Reducing competitiveness gaps in EMU has to be a general concern, a means to strengthen the euro zone internally and to bolster its cohesion externally. This demands genuine reforms of labour markets and coordinated industrial policies which can bring about new competitive advantages for the benefit of the Union as a whole.

The experience of EMU's southern members and of several new EU Member States shows that excessive credit and other bubbles need be prevented. A reformed regulatory and supervisory framework of financial sectors should help prevent boom-and-bust dynamics in Member States. This

needs be conceived in the wider framework of EU-wide policy coordination. Of particular importance here is to work out ways of offsetting the deflationary bias of policies implemented in the countries which will be in the throes of major fiscal consolidation programmes.

Improving surveillance. The use of indicators and alert thresholds (from the EU 2020 strategy and elsewhere), the establishment of links between reforms and the strategic priorities of cohesion policy programmes, and devising a toolbox for early warning capability (a Eurostat with much enforced prerogatives, audit-type included) also seem to be of high relevance in this context.

Setting up a permanent crisis resolution mechanism. Leaving aside issues of terminology, the recent threat of a breakdown has shown that establishing such a facility is a must in view of deeper financial integration in EMU and the ensuing systemic risks. Since 10 May we have a crisis resolution mechanism with embedded guarantees for efficiency (and deterrence) which – although designed under pressure from the dealing rooms – clearly shows that regulators and politicians are ready to fight relentlessly those parts of markets which cause damage.

The above mentioned endeavour should be seen in conjunction with the reforms underway regarding the regulation and supervision of financial markets. The financial sector has to return to its senses. The EU has firmly embarked on a wide ranging programme in this respect, and the power of vested interests should and can be defeated. The EU can play a central role in rethinking and overhauling the governance of the international financial sector and use the G20 to this end. For the sake of fostering economic growth and open trade, the inherent instability of financial markets has to be reined in. This is why the overhaul of the regulation and supervision of financial markets must be comprehensive. The de Larosière and Turner Reports in the EU, and Paul Volcker's "rules" in the US provide intellectual firepower to this aim.

Trust and values revisited

Finally, a major challenge for policy implementation is "trust". The profound financial crisis has highlighted the importance of this key ingre-

dient in the functioning of democracies, and free economies. The loss of any moral compass by many actors – especially in finance – undermines the confidence people, as citizens, have in regulators and democratic institutions. Moral values thus elbow their way onto the political agenda. The way to bridge the gulf between “Main Street” and “Wall Street” is to re-emphasise the values which brought prosperity to the West: hard work, duty, honesty, sense of guilt and shame, accountability, solidarity, compassion. Even in today’s globalised world, moral values do have an economic function: they make societies work and perform better. In a world of exhaustible resources and increasing competition and interdependence, the EU can – and early signs show that it will – rise to this challenge.

Trust also plays a key role in the functioning of the Union. Unless its rules are observed, mutual distrust grows, eroding the EU over time. Solidarity in times of need hinges on mutual trust among the Member States. This is another key lesson of the current crisis.

The time for EMU renewal has come. The EU has accumulated a series of lessons that can now be used to build a new, sounder edifice that will help ensure financial stability of the euro area – regardless of the broader economic outlook – and help it achieve its growth potential. Are the political conditions now met for such a breakthrough? Agreement on the timing and the need to act is unanimous, but profound disagreements still prevail on the prescription side.

A change of mindset in the capitals of the euro zone is now called for. Dealing with the “E”, instead of simply lamenting the shortfalls linked to the “M” in EMU, calls for a sea change in mentalities and a re-think of traditional notions of sovereignty. After all, policy breakthroughs did not happen by respecting the status quo. They came about by reversing it through vision, courage and conviction.



2 Crisis management in the age of globalisation

By Mark Rhinard* and Bengt Sundelius**

There was a time when the Commission could justifiably assume a low profile in crisis management. The internal market was under construction, and globalisation had not quite enveloped the world. Community competences were still limited and expectations were low. When crises struck, they tended to be local in origin and impact, requiring only small amounts of outside assistance.

Those days were rudely interrupted by the so-called “mad cow” crisis that caught the EU by surprise. Sparked by a disease that travelled along European infrastructures, the crisis wreaked havoc across policy sectors. It threatened human lives as well as political careers. Although not the first of its kind, the ‘mad cow’ event had an eye-opening effect in Brussels.

It was typical of what we may call a “trans-boundary” crisis, an increasingly common occurrence on the European continent: the term “trans-boundary” emphasises its peculiar nature, which blurs and trespasses boundaries between both individual countries and policy areas. Known by their knock-on effects, such crises arrive in one form but soon take on new guises. Volcanic explosions, sub-prime loans, and communicable diseases, for example, are easy to explain in the first instance. What happens next is more difficult to predict, as initial crises trigger secondary effects that spread across geographical, political, and policy borders. The massive disruption of air traffic across Europe caused by the eruption of a volcano in Iceland has been the latest case in point.

In an interconnected, interdependent Europe, the Commission has some responsibility for managing trans-boundary crises. At issue is not whether she has all the legal competencies to do so (although in some cases she does): it is whether she can take the initiative to ensure that crises in the Union do not turn into crises for the Union. Nor is the issue whether she has the tools and instruments required to make quick, in-

formed decisions (although in many cases she has these, too): it is whether public opinion and political elites will perceive that the right decisions have been made. To be sure, national governments will almost always take the first blow. What happens afterwards may depend on many what action the EU takes.

Effective leadership in preparation for and during crises is not easy, but past experience and studies of crisis management offer useful lessons. We believe that scientific research into crisis management has practical value – notwithstanding the difficulty of trying to turn research findings into “how-to” (or “how-not-to”).

Crisis leadership

Who leads during a crisis? At the national level, the answer is clear: Prime Ministers or Heads of State. At the European level, experience shows that EU institutions may be thrust into the limelight too. The public expects someone to take command and provide clear answers; a critical contingency is not the time to hide out or be driven by events but to remain visibly on top of the situation. And a trans-boundary crisis must be related to the fundamentals of the Union’s public mission, to the core storyline of integration and interdependence.

Regarding the Commission proper, the trade-off between leadership and collegiality is not as stark as it may seem. Due to the nature of both the Commission and trans-boundary crises, Commissioners have to cooperate. As a result, a “crisis team” of Commissioners could be envisaged: its composition will vary depending on which knock-on effects may arise; other Commissioners will need to be regularly briefed. Experience shows how easy it is to lose control of one’s team during a crisis – hence the proactive role the President himself and his immediate support structures should take up.

During turmoil, it is indispensable to check how the crisis, and its handling, is reflected through

* Mark Rhinard is Senior Research Fellow at the Swedish Institute of International Affairs, Stockholm.

** Bengt Sundelius is Professor of Government at Uppsala University.

the media. Actions, and the appearances of actions (or inactions), are mirrored by the press. Fluid images of success or failure are framed through media reports of what was seemingly done (or not) in the crisis.

It may also be worthwhile to establish “standard operating procedures” for the College during crises. Those can help put the Commissioners on the same page regarding the crisis decision-making process (and prevent surprises). Such procedures normally begin by compiling relevant information, sorting noise from reality, and designating an ad hoc leadership team. The next step would be to activate an analysis function capable of enriching incoming information and avoiding “group-think”. After that, a palette of relevant and deployable instruments should be identified and made available, and a menu of decision options discussed.

Meanwhile, a public communication strategy must be activated. Once decisions are made, adequate reporting of implementation (a major problem for crisis leadership) should be ensured, previous decisions regularly reviewed, and appropriate adjustments made. These “political” SOPs could be nicely put in sync with the more “technical” SOPs already established in many Commission services.

Uncertainty and complexity are the main features of a rapidly evolving trans-boundary crisis, often characterised by communication overload and, at the same time, information shortages. Research shows that some leaders jump to a decision as soon as evidence arrives to support pre-conceived opinions. Other leaders take a mental time-out as communication pours in, paralysed by trying to make sense of it all.

How information is filtered and summarized before it reaches decision-makers is therefore essential. Trustworthy administrative support is required not only to marshal information, but also to assess potentially conflicting analyses. Establishing a central analysis function – to be placed as close to the President as possible – could help “make sense” of a situation in a confident way.

During a crisis, it is easy to find “escape options”. The problem can be shifted towards oth-

ers – vertically, horizontally, or laterally. By emphasizing legal constraints or procedural vagaries, attention can be moved away from the substantive controversy at hand. A focus on consensus-building can be used to draw out decisions. Some of these strategies may be valid, but there are crucial differences between calculated postponement and avoidance of responsibility.

Crisis coordination and learning

Crises pull apart even the closest teams. The Commission writ large has few mechanisms to pull together during crises, and inter-service coordination is not easy even in the best of times. Existing mechanisms may thus falter. Again, standard operating procedures can alleviate these centrifugal tendencies. Training and practice (as part of the solution for enhancing leadership “in-between” crises) will make Commissioners more comfortable with their roles when a real crisis strikes.

The rare opportunity to learn lessons after a crisis must be seized, too. Most organisations show scarce willingness to learn from painful crisis experiences – and for understandable reasons: no one enjoys re-examining contentious decisions or re-visiting past battles. Ignoring valuable lessons, however, dooms to re-living the past and undermines reputation. Some national governments have found success in “institutionalising” lesson-learning exercises after major crises. The College could consider doing the same from a centralised location.

The importance of lesson-learning also points towards the value of preparing for crises well before they arrive. Preparatory action, capacity building, training, and crisis management exercises at the highest political levels (even the College) should be a priority, with requisite administrative responsibility for such tasks. These investments build capacity to ensure that standard operating procedures work effectively.

Crises are not only threatening challenges to be “coped” with. Crises (and their aftermaths) offer space for changes of policy, procedures and institutional designs. A period of serious inquiry, evaluation and subsequent recommendations is a crucial stage between crisis and policy reform. It includes personal and organizational capacity for

engaging in meaningful accountability procedures and evaluation processes.

Part of the sense-making process should be to consider how actions taken now will play out once the dust of emergency has settled. When the ordinary grind of political life again takes hold, draconian crisis measures will appear in another light. Difficult trade-offs between effectiveness and legitimacy may then be judged differently by the public than in the moment of despair.

One question is often asked ex post facto by informed observers, such as scholars or journalists: a crisis for whom? This fundamental and thorny issue should be raised also by and within the EU: what are the stakes and who are the stakeholders of the unfolding event? Taking the time for some strategic reflection while in the eye of the storm is a good investment in a political future after the crisis has passed.

Effective crisis management entails the skill to balance often overwhelming information and expert recommendations with other equally important perspectives. Here, sensitivity to the wider political landscape is an important quality: a culturally based or personally constructed normative compass for any public action is a source of inner strength. Political leadership often means the ability to grasp and connect with the fleeting public view of what constitutes a reasonable course of action in a given high-stakes situation. Crises offer windows of opportunity to move a nation or a Union – and to be able to take credit for having done so.

Crisis management is a high-wire balancing act without a safety net. One wrong step and political reputations could be in tatters. Successful tip-toeing along the suspended wire gives the thrill of a strong public endorsement and the envy of peers. In critical situations, leadership integrity is being put to the test. This is done in full public view thanks to the scrutiny of media. But crisis leadership is not an “art”. It is a skill acquired through forethought and practice.

3 *Demos and Kratos* in 2010 Europe

By Tommaso Padoa Schioppa*

Democracy today – both in the EU per se and in its individual Member States – is suffering from a single disease: namely, the growing difficulty experienced by every government, whether central or local, to meet those demands of people and citizens which it is expected to. The gulf between the needs of the *Demos* and the performance of the *Kratos* is one of the most dangerous threats to the survival of democracy as a form of government based on the principles of responsibility, autonomy and equality. It can only be corrected by intervening simultaneously on different levels of government: municipal, regional, national, European, and global.

Let us concentrate on Europe. The nationalist cliché pegs anti-Europeanism very closely to the theme of democracy. It does so, by and large, by arguing that the European Union is a political construction in which democracy is impossible because “there is no *Demos*”. *Demos* is a national phenomenon, ergo democracy’s true and only repository is the nation state. It follows that Europe’s political union is impossible, unwelcome and, above all, incompatible with the democratic ideal. This argument is both fallacious and dangerous.

What *Demos*?

If we try to define the *Demos*, in fact, we find ourselves at a loss. History’s answers have varied over time and space: there is no single criterion that has survived unchanged and unchallenged down the centuries and across the continents. In Europe, the boundaries of government were mapped out for ages either on the battlefield or in the bed chamber, through military conquest or dynastic marriage. Human attempts to implement peace on earth through religion, language, race and class have ended up in bloodshed. Reason, on the other hand, provides us with only one answer: it is necessary to establish a government wherever needs, aspirations and demands shared by a given number of people can be achieved only through decisions, actions and re-

sources that are also shared. Without a government there would be no peace or justice, and contracts could be breached at will. Without a government roads would not be built or maintained, nor would air and water be cleaned.

What those being governed share most, in other words, is not affinity of taste or habit, mutual liking or sacrifice. It is a tension between closeness, contiguity and interdependence, on the one hand; and difference of opinion and preference, potential hostility and instinct to dominate, on the other. This combination of actual closeness and potential disagreement generates a sort of enforced coexistence, the most significant example of which is the condominium. The romantic legend of nationhood (whereby any *Demos* can only come “from the heart”) has failed to recognise this simple fact, but it has influenced our vision of statehood and democracy for over two centuries – which is, however, only a very short segment in the history of mankind.

The *Demos* of democracy must be defined by reason, not by the heart. It matters little whether people have chosen each other or not, or what common sentiments bind them together. More often than not, they have not chosen each other at all. They have simply come together in the same place, like tenants in a condominium who happen to own shares of the same building or like the migratory movements that led disparate groups of human beings to settle on the same lands. We are talking about people who frequently find such closeness and interdependence irritating, who have a hard time putting up with differences of habit, taste and lifestyle.

This means that we cannot talk about *Demos* unless we also talk about things, i.e. the *res publica*: in fact, the need for government is sparked by demands and aspirations that are shared by more than one person and can be met only through decisions, initiatives and resources that are also shared. Economists call such things ‘public assets’, and define them as those goods

* Tommaso Padoa Schioppa is a former member of the ECB Board and Italian Finance Minister. He is now Chairman of Notre Europe.

and services which neither the market nor individual action are capable of generating – and which are the *raison d'être* of government.

Economists also argue that public assets have the dual characteristics of non-exclusion and non-rivalry: in other words, once they have been produced, no one can be prevented from using them nor does one person's use of them reduce the quantity available to others. The armed forces defend every one, clean streets and clean air are clean for every one (including tax evaders).

But what does "everyone" mean – and what does "public" mean – in connection with the things that make up the *Demos*? Neither of those words has a single unequivocal meaning. The concept of 'every' includes every condominium, every one living in the neighbourhood, every Walloon and every Flemish, every European and every living person in the world.

Every one of us is part of a system of interdependencies on several levels. We share the use of the elevator and care for the roof with other tenants. We share garbage collection and public parks with fellow citizens. We share public transportation with others living in the same region. We share the administration of justice and the welfare system with the national community. We share the euro and the single market with other Europeans. And we share the greenhouse effect, air and maritime regulations with the whole world.

Every one of us is a member of several different and ever wider human communities, each one defined by shared interests and mutual dependence, and each requiring some form of governance.

What Kratos?

There are at least five such communities for every individual: a municipality, a region, a country, a continent, and the wider world. The term "government", therefore, needs to be declined in the plural form, not only along the horizontal line of juxtaposition on the earth's surface but also (and perhaps especially) along the vertical line of inclusion – the inclusion of ever larger and broader circles of human beings to which every one of us belongs at the same time.

Government is needed because the *Demos* is split. Every public asset (from the elevator to the biosphere) is one, but there are many ways of delivering it, and both opinions and interests differ over such ways. There must be someone who decides and acts for every one: that person needs to be endowed with an accepted code (a statute, a "constitution"), the legitimacy to take decisions, and the wherewithal to act – even when some community members seek to hinder implementation.

This is what we mean by *Kratos*. And what we call "general interest" is in fact a private interest shared by all, not the private interest of a third party. Government, at all levels, is not the player who consumes the public asset or service; if anything, it is the player through whom the citizens that consume it collectively produce it. The expression "sacrificing private (national) interests to the general (European, global) interest", although over-used, is therefore false. And if we were to list all of our private interests in hierarchical order, we would immediately discover that the top places would be occupied by interests for which the government(s) alone can cater – namely security, justice, solidarity and education.

The citizens of Brussels, Turin, Seville, Copenhagen and Krakow will be living in a perfect democracy only when there is a government for each one of the communities of interdependent people they belong to, and when that government meets the following two requirements: it is freely chosen by the people(s); and it has the *Kratos* required to govern the *res publica*. Both are necessary because the term democracy is a combination of two nouns.

On our continent today, however, we find ourselves in an almost unmanageable situation: Europe, the EU, has been assigned achievable tasks but it has been denied the *Kratos* to achieve them; the nation state has been given the *Kratos* but it has been assigned impossible tasks. These are two sides of the same (contradictory) coin – and they risk jeopardising democracy itself.

What Europe?

Four points need to be highlighted here. First, the European reason-based *Demos* does exist. This is even more obvious today than when the

groundwork for Europe's construction was laid. The European *res publica* has expanded beyond measure as compared to half a century ago. Virtually none of the traditional public assets are still exclusive and deliverable for any one of the 27 national communities into which the people of Europe are still split – not even the largest among them, Germany, whose prosperity is based on exports; whose defence is entrusted to NATO; over which the winds blow polluted air from factories outside its borders; which puts its own brand names on products manufactured in other countries (inside and outside the EU); and which feels threatened by financial instability coming from the East, from various tax havens, and now also from inside the euro zone.

Second, a political construction based on the European *res publica* already exists. The Europeans have enshrined their condition of mutual interdependence in what is – to all intents and purposes – their “constitution”: after all, what else can we call a shared law recognized *de facto*, *de jure* and in political doctrine as prevailing over national law? The EU Treaties list the common aims and aspirations, the assets, and the principles of the Union in a manner that is absolutely identical to the way the preamble of the first part of any nation state's Constitution reads. And the Treaties establish institutions, ground rules and powers for the pursuit of aims and for the production of public assets for the citizens of Europe – not the inhabitants of its individual Member States, regions, cities and villages.

Third, the European “Constitution” is democratic. The institutions envisaged in the Treaties are built – albeit imperfectly – in accordance with the precepts of parliamentary democracy: the Parliament is elected by the people (a *Demos of Demoi*) and the Commission enters into the fullness of its powers only upon that Parliament's scrutiny and vote of confidence in it. Of course, no democracy is perfect, and the Union's may well be less perfect than others – but it is totally inappropriate to talk about a “democratic deficit”.

Fourth, a serious construction fault prevents the Union's “government” from performing its task to the full. The fault concerns its ability to function properly, not its degree of representation or

its link with the will of the people. Democracy has been implemented only in part, not because there is no European *Demos* but because the *Kratos* is missing: the ability to make relevant decisions and the capacity to implement them are simply not there. And this situation persists despite the fact that the inhabitants of Europe have absolutely all the requisites to qualify as a reason-based *Demos* and also to identify themselves as a *Demos of the heart*.

What next?

The existence of a *Demos of the heart* is one thing – awareness of it is something else, and turning that awareness into political action is something else again. The memory of past horrors is fading and, to the Erasmus generation, Europe often seems to be an edifice that has already been built and is being lived in – rather than one in need of completion and maintenance. Europe is indeed incomplete, and for that reason – also for that reason – the democracy in which we live is incomplete.

Where can we find the impulse to correct the current shortcomings in the construction of Europe, to complete Europe's political unity and, thus, to fully implement democracy on our continent? Certainly not in the bed chamber, nor in the fire and sword of times past: those days are over and we know it.

But we are fairly unlikely to find it in the romantic legend of nationhood that led to the establishment of the German and Italian nations as states (followed by many others: Estonia, Lithuania, Slovakia, Ukraine, Montenegro). Those days are over for Europe too. Governments use the myth of nationhood to which they owe their existence to obstruct or delay a EU government, and to cling to the simulacrum of their power even now that the problems they need to address have become so much larger than they can handle.

We do not know whether there will ever be a European federal state. What we do know, however, is that the future is open and unwritten; that Europe's political unity is possible; that achieving it depends on us; and that without it our democracy will remain incomplete.

4 BEPA News

The Monti Report

On 10 May 2010 Mario Monti delivered his report "A New Strategy for the Single Market. At the Service of Europe's Economy and Society" to President Barroso. The report is intended to serve as a basis for an initiative to relaunch the Single Market.

Professor Monti could rely on the Commission's expertise and support to bring his mission to a successful conclusion. Specifically, BEPA supported him in the organisation of meetings with interlocutors at the Commission, the European Parliament or think tanks whose competences were relevant. This enabled him to gather views and opinions in order to prepare this important document that has been extremely well received all across the Union.

The report is available at ec.europa.eu/bepa/expertises/visitor-programs/mario_monti/index_en.htm

Activities

On 20 May BEPA organised for President Barroso a seminar with American and European experts to discuss the state of transatlantic relations, the conditions for reinforcing the EU-US partnership, and the priorities for a common global agenda in the 21st century. Alongside Catherine Ashton's Head of Cabinet and representatives of DG RELEX, the meeting was attended by experts from the German Marshall Fund, the Atlantic Council, the Center for Transatlantic Relations in Washington DC, and a number of European think tanks.

On 25 May BEPA organised a second seminar along the same lines on Russia, in cooperation with high-level Russian and American analysts from the Carnegie Endowment for International Peace. The objective of the meeting was to have a fresh look on recent developments in Russia – in domestic and economic terms as well as on the international front – in the run-up to the forthcoming EU-Russia summit.

Nouveau directeur-général

Jean-Claude THEBAULT, jusqu'alors secrétaire général adjoint de la Commission européenne, ancien Chef de cabinet adjoint du Président Barroso, reprend la direction du BEPA. Son arrivée coïncide avec la finalisation de la restructuration du BEPA mise en œuvre par Margaritis Schinas sous l'impulsion directe du Président.

Fort de ses expériences dans les Cabinets de Silguy et Barroso I, il pourra mettre à profit, au service du BEPA, ses compétences de haut niveau notamment dans les matières financières, budgétaires et de politique agricole commune.

Toutefois, Jean-Claude Thébault sera avant tout l'animateur de notre Bureau, le faiseur d'idées nouvelles et le garant de leur mise en œuvre dans le but de servir au mieux le projet politique du Président. Pour se faire il bénéficie à la fois de son expérience passée à la tête de la Cellule de Prospective, mais aussi de l'équipe des Conseillers du BEPA, récemment réorganisée.

Bepa online

Premier instrument phare de la reconquête de l'identité du BEPA, le site internet ([www.http://ec.europa.eu/bepa/index_fr.htm](http://ec.europa.eu/bepa/index_fr.htm)) nous permettra de disposer d'une plateforme d'échange de nos idées et concepts grâce à une interface simple et noble dans laquelle notre visiteur puisse trouver en quelques "clics" l'information pertinente dans le domaine qui l'intéresse.

Outre les informations relatives à notre nouvelle organisation, vous retrouverez à titre principal, trois rubriques remises à jour très régulièrement :

- nos dernières publications avec les documents, ouvrages et articles rédigés par les membres du Bureau ;
- les discours du Président rédigés par notre équipe de speechwriters ;
- nos expertises développées au cours des conférences et événements que nous organisons ou encore par l'apport intellectuel précieux de nos "Visiteurs" dans le cadre du programme exclusif mis en œuvre par le BEPA.