

Claremont-UC Undergraduate Research Conference on the European Union

Volume 2007 *Claremont-UC Undergraduate Research Conference on the European Union*

Article 6

February 2012

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Recommended Citation

Grishkoff, Jason (2007) "Economic and Monetary Union: A Study of Domestic Influence in the European Union from 1989-1993," *Claremont-UC Undergraduate Research Conference on the European Union*: Vol. 2007, Article 6. DOI: 10.5642/urceu.200701.06

Available at: <https://scholarship.claremont.edu/urceu/vol2007/iss1/6>

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ECONOMIC AND MONETARY UNION: A STUDY OF DOMESTIC INFLUENCE IN THE EUROPEAN UNION FROM 1989-1993

Jason Grishkoff

Economic and monetary union in Europe was by no means a new idea. Following the increased economic division in Europe after World War I, calls had been made for a common European currency as early as 1929. However, not until the Suez crisis of 1956, when France's policy was reoriented towards an economic partnership with Germany, was the trend towards economic union set in motion.¹ Shortly after the crisis, the Rome Treaty of 1958 officially established the European Economic Community (EEC). While this treaty did not initially comprise monetary integration, the issue came up in the early 1960s, never to disappear.

By 1968, the six founding Member States of the EEC had achieved most of the goals laid down in the Rome Treaty, most importantly the establishment of a successful customs union. The economies of the Member States had become well integrated, conducting about half of their trade amongst themselves. Policymakers in France suggested that because their successes in areas such as the Common Agricultural Policy were largely dependent on stable exchange rates, the Community should "be endowed with a common international monetary policy."² One of the best ways to accomplish this, they argued, was to create an economic and monetary union.

This article assesses the influence that political parties and the public had over the European policy choices made by the elite representatives participating in the development of Economic and Monetary Union from 1989 to 1993. It demonstrates that Intergovernmentalism and Supranationalism are not, in and of themselves, capable of explaining European integration. Rather, it asserts that the Fusion theory, which combines elements of both Supranationalism and Intergovernmentalism, offers a more appropriate explanation of EU politics. More significantly, it shows that European executives have become more accountable for their European policies, and that national pressures are capable of indirectly influencing decisions made at the European level. It concludes, however, by confirming that the 'democratic deficit' remains a very real issue, particularly

where the link between national politics and EU level politics is concerned.

THEORIES OF EUROPEAN INTEGRATION AND EU POLITICS

For many years, European scholars attempted to create grand theories for the sake of comparing the new EU political system to that of government, politics, and policy-making in all political systems. Over the years, these grand theories have been replaced by "mid-level explanations of cross-systematic political processes [that act as] the intellectual precursors of any theory of EU politics."³ One of these grand theories, Neofunctionalism, was first suggested by Ernst Haas in 1958. The basic claim of Neofunctionalism is that "a given action, related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more, and so forth."⁴ According to this argument, the forces behind this spillover process are non-state actors, such as business associations, trade unions, and political parties, promoting their economic and ideological interests. However, Neofunctionalism failed to account for the slowing down of European integration in the 1960s, and the strengthening of the intergovernmental elements of the European Community (EC). New theories had to be developed.

(Liberal) Intergovernmentalism. Derived from the realist school of international relations, Intergovernmentalism argues that European integration is driven by the interests and actions of the European nation states with the aim of protecting their geopolitical interests, such as national security and sovereignty. Intergovernmentalist theory draws on general theories of bargaining and negotiation to view the EU as a forum in which interstate bargaining outcomes are decisively shaped by the relative power of nation-states. This relative power among states is arguably shaped by asymmetrical interdependence. In this model, governments that stand to benefit the most from an agreement relative to their alternatives tend to offer greater compromises.⁵ This pursuit of national self-interest, strategic rationality, and policy outcomes dependent on relative power, can attribute for the continued cooperation between states within the EU bargaining arena. In this model, policymaking is seen as taking the shape of a "unidirectional causal chain beginning with the preferences of societal actors and powerful constituencies and translated through the state to the national interests and positions which are then represented in Brussels negotiations."⁶

Liberal-Intergovernmentalism, first argued for by Moravcsik, divides the EU decision making process into two stages: in the first there is a demand for EU policies from domestic economic and social actors; in the second stage EU policies are supplied by intergovernmental bargains, such as treaty reforms. As in classic Intergovernmentalism, Member States are still treated as unitary actors and the supranational institutions of the EU have a limited impact on final outcomes. Liberal-Intergovernmentalism differs in that it argues state preferences are driven by economic rather than geopolitical interests, that state preferences are not fixed, and that states' preferences vary from issue to issue.⁷

While Intergovernmentalist theories present a plausible explanation for the manner in which Member States come to decide on and adopt common European policies, they face a number of criticisms. In particular, these criticisms are aimed at their accounts of preference formation and their understanding of decision making in the council. It has been argued that Intergovernmentalism fails to account for negotiation, bargaining, or conflict between ministries, ministers, and/or officials, each with their own constituencies and clienteles.⁸ Critics point out that the state executives are pressured by the policy initiatives

of the supranational European Commission (EC), and influenced by the anticipated reactions and possible positions of other international actors.⁹ Those same critics, naturally, have proposed their own theories about the way in which Europe is Europeanizing.

Supranationalism. Some theorists attempt to account for criticisms of Intergovernmentalism by arguing for a Supranational interpretation of the EU. They view the EU as a complex institutional and policy environment, with multiple and ever changing interests and actors, as well as limited information about the long-term implications of treaty reforms or day-to-day legislative or executive decisions. They claim that the Member State governments are not in full control, and that the supranational institutions exert significant independent influence on institutional policy outcomes. This conceptualization argues that "the EU [is] a network in which individual member states are increasingly defined not by themselves but in relation to their EU partners, and in which they prefer to interact with one another rather than third parties because those interactions create incentives for self-interested cooperation."¹⁰

In this model, Member States have realized that there is more to gain by working within the system than by going at it by themselves.¹¹ The increased administrative interaction between national officials has arguably brought about a fusion of member state bureaucracies. Consequently, civil servants no longer act as 'guard dogs' of national interests when considering EU policy. Instead, they see Brussels as an arena in which routine decisions are taken and the officials of other Member States are partners.¹²

However, Moravcsik contends that the entrepreneurship of supranational officials tends to be futile and redundant, as "governments generally find it easy to act as their own entrepreneurs and to impose distributional bargains through the use of traditional nonmilitary instruments of power politics... The distributive outcomes of negotiations have reflected not the preferences of supranational actors but the pattern of asymmetrical interdependence among policy preferences."¹³ Other critics assert that the creation and evolution of this supranational institution as a step in the direction of a type of Euro-federalism.

Fusion Theory. By approaching Europeanization in terms of the problems which it poses and the opportunities it creates for domestic political management, theorists have been able to reconcile the differences between national adaptation and national convergence, providing a framework in which both Intergovernmentalism and Supranationalism can coexist.¹⁴ The governments of Member states "must find the means to reconcile potentially contradictory European and domestic pressures, as regards both substantive policy choices and broader discourses of legitimation."¹⁵ In certain circumstances, particular Member States may be faced with having to implement policy choices that enjoy little domestic support. However, these Member States may also find that the opportunity structures of policy-making in the EU have been changed in a manner which may be positively utilized by national governments.¹⁶ Robert Putnam's 'two-level games' model views European bargaining as under a double constraint: national governments must make policy decisions that are acceptable both domestically and internationally.¹⁷ As such, it is possible for Member States to use domestic opposition as leverage for bargaining in European negotiations.

Along this same vein of thinking, Maurer and Wessels have posited a fusion theory that helps to identify interrelated processes of Europeanization between Member States and EU institutions, and national and European administrative systems. They argue that

[both] levels of interaction (Council Secretariat and permanent representations at the EU level and member state institutions and representatives from the national level) meet in a range of committee structures that co-ordinate the views and opinions of member state and EC/EU administrations on a given set of issues. Fusion theory would then expect that these arenas would act neither as the 'guard dogs' of national governments charged with controlling the European Commission nor as forums for exclusively intergovernmental bargaining.¹⁸

This theory has much in common with the view of Europeanization as problem and opportunity for domestic political management: both see national representatives to the EU as having to balance the interests of domestic and international pressures without putting too heavy an emphasis on either. While areas such as the Committee for Home and Judicial Affairs or the CFSP committee are perhaps more representative of intergovernmental bargaining theory, I argue that the decision-making process of Economic and Monetary Union falls in line with Fusion Theory.

THE DEMOCRATIC DEFICIT

Critics of the lack of democratic legitimacy in the EU point to the mode of political representation and the nature of policy outputs. They argue that European integration has reduced the representational qualities of European democracies by concentrating an increasing amount of decisions in what is an executive dominated political system.^{19, 20} Actions taken at this European executive level are arguably beyond the control of national parliaments, as they "are much more isolated from national parliamentary scrutiny and control than are national cabinet ministers or bureaucrats in the domestic policy-making process. As a result, governments can effectively ignore their parliaments when making decisions in Brussels."²¹ A notable response to this claim has come from Andrew Moravcsik, who argues that the European Union has in fact made Executives more accountable to their citizens. He notes that the actions of government ministers are no longer scrutinized simply at home, but in a wider European context, and that ministers at home are no longer held to account solely for their domestic record, but also for their actions in Brussels.²²

The EP is the only branch of the EU that is directly elected. Though stronger than it once was, critics still claim that it is weak compared to the governments in the Council.^{23, 24, 25} Furthermore, neither national elections nor EP elections are 'European' elections: they are fought on domestic rather than European issues, and parties collude to keep the issue of Europe off the domestic agenda.^{26, 27} The consequences are that EU citizens' preferences "on issues on the EU policy agenda at best have only an indirect influence on EU policy outcomes."²⁸ Contrary to this, Moravcsik emphasizes the fact that the EP now has veto-power over the selection of the Commission, and that legislation requires a majority support in both the Council and the EP.²⁹

Further claims of democratic deficit show that the European Union is either too far removed from electoral controls, or too complex for citizens of the member states to understand and form reasoned opinions about.³⁰ In addition to the complexity of the process it is also argued that EU policies are overly technical and discourage citizens from engaging with the process. On top of all this, theorists argue that the system lacks

transparency. According to these arguments, the end result is that the EU has alienated European citizens with serious repercussions for both the traditional democratic ideal of a citizenry educated in the governmental process, and the ideal of government actors accountable to the general public. Moravcsik counters this argument by claiming that the EU policy-making process is more transparent than most domestic systems of government.³¹

Lastly and usually in accordance with some or all of the above arguments, various critics claim that the policies decided upon at the European level are not representative of the preferences of European voters. Critics argue that “governments are able to undertake policies at the European level that they cannot pursue at the domestic level, where they are constrained by parliaments, courts and corporatist interest group structures.”³² Moravcsik counters that the EU’s elaborate system of checks-and-balances ensures that an overwhelming consensus is required for any policies to be agreed. He asserts that EU policies are the result of a compromise between all interest parties, from all Members States and all the main party oppositions. Only those on the extremes are excluded.³³

Conversely, Majone argues that the EU is essentially a ‘regulatory state,’ by which Pareto-efficient outcomes (where some benefit and no one is made worse off) are the result.^{34, 35} He asserts that EU policy-making should not be ‘democratic’ in the usual meaning of the term because an EU dominated by the EP or directly elected institutions would lead to a politicization of regulatory policy-making. This politicization would result in redistributive rather than Pareto-efficient outcomes, and thus undermine the legitimacy of the EU.^{36, 37, 38} Rather than make fundamental changes, he asserts that the EU should instead implement more transparent decision-making. Similarly, Moravcsik makes three claims to support isolation of the EU policy-making process. First, he asserts that “universal involvement in government policy is beyond the scope of any modern citizen.”³⁹ Secondly, isolating quasi-judicial decisions is essential to the protection of minority interests and the aversion of a tyranny of the majority. Third, isolated policy-makers can correct for a bias inherent in majoritarian contests. In this view, then, “the EU may be more ‘representative’ precisely because it is, in a narrow sense, less ‘democratic’.”⁴⁰

INTERPRETING THE RESULTS

The following section provides a brief outline of six case studies discussed at greater length in the original Honors Thesis submitted to the UCSD Department of Political Science.

Case 1: Thatcher’s eviction. Because Thatcher (EDV1) was not responsive to public opinion or political parties, partisan pressures in Parliament forced her to resign. How were political parties, particularly the Conservative party, able to remove her from power, effectively changing the United Kingdom’s stance on EMU?

According to Howe, Thatcher’s demise came about as a result of “the poll tax, her mounting unpopularity on the doorstep, [and] personal dismay at her whole ‘style of government’; all these came ahead of concern about her attitude towards Europe.”⁴¹ Discontent with Thatcher’s policy was first voiced by the public in the 1989 EP elections, when the Labour Party enjoyed its first victory since the Conservative rise to power in 1979. Yet Thatcher remained unresponsive to growing pro-European sentiment in the

United Kingdom, continuing her isolationist policy.

The British government's parliamentary system requires that the Prime Minister have the support of the majority in the House of Commons. As Thatcher's policy decisions continued to increase tensions within her Conservative Party, her grip on the majority began to slip. The final blow came when a leading Conservative figure, Geoffrey Howe, gave his resignation speech, in which he claimed her isolationist approach to EMU would have 'grave' ramifications for England.⁴² With the passing of a vote of no confidence, the members of Parliament were able to remove Thatcher from power. Thus government structure provided political parties (IV2) with an effective means by which they could exert pressure on and eventually remove Thatcher. While the public had not played an immediate part in this vote of no confidence, their outspoken discontent with Thatcher's domestic policy added further legitimacy to the Conservative Party's decision. Had Conservative voters within the public supported Thatcher's domestic policy, members within the Conservative Party would likely have been constrained by their constituents from passing a vote of no confidence.

Therefore, I conclude that broad discontent within both the public (IV1) and political parties (IV2) for Thatcher's domestic and European policy decisions (EDV1) provided the impetus for the Conservative Party to use a vote of no confidence to effectively remove her from power. Thus, by holding Thatcher responsible, the British parliament demonstrates that representative elites to the EU can be held accountable by national legislative bodies.

Case 2: Major outmaneuvers over public and party. John Major was able to use public opinion (IV1) to ratify Maastricht in the face opposition from within the then majority Conservative Party (IV2). How was this possible when neither the public, nor the majority Conservative Party approved of Maastricht?

I argue that the answer can be found in the fact that both the public and Party approved of Major's domestic policies. One month before Thatcher's resignation, opinion polls showed Labour 16% ahead of the Conservatives.⁴³ Yet in the 1992 elections, Major reversed the situation, bringing the Conservative Party a 7.5% margin of victory over Labour. This shift demonstrates that where Thatcher lacked the support of public opinion, Major enjoyed it.

When Conservative Rebels (IV2) attempted to join Labour in rejecting the ratification of Maastricht in Parliament, Major was able to appeal to the partisan loyalty of their constituents, forcing them to vote in line with their Conservative Party, and thus approve the Treaty.⁴⁴ Even though neither public opinion nor political parties supported Major's European policy, approval of his domestic policy was such that he was able to maintain their overall support, and thus did not have to change his EMU policy decisions. Therefore, one can argue that the preferences of domestic actors were not represented by Major, giving credence to the argument of a democratic deficit.

Mitterrand's Near Catastrophe. As President of France during the development of EMU policy and Maastricht ratification, Mitterrand's European policy (FDV1) was supported by public opinion (IV1), as evidenced through the high levels of stable support for EU unification and common currency up to ratification. Furthermore, Mitterrand's European policy was not challenged by the Parties (IV2) that made up the national assembly or senate. However, Mitterrand's failure to use direct consultation almost resulted in the rejection of his European policy.

This case is interesting in that we see a drastic and negative change in the European

policy preference of the public. To determine why, it is important that we look into the factors that made 48.95% of the population the vote 'no'. According to Mazzucelli, "57% voted 'no' because of the loss of French sovereignty implied...55% voted 'no' in order not to leave Europe in the hands of Brussels technocrats. Another 40% voted 'no' out of fear of German dominance. Most significantly, 31% voted 'no' to reject the entire French political establishment."⁴⁵ As can be seen, most of those who voted 'no' did so to demonstrate dissatisfaction with Mitterrand's European policy: his willingness to give away France's sovereignty and put it in the hands of Brussels technocrats. This growing dissatisfaction was further demonstrated in the disaster of the 1992 regional elections and the catastrophic defeat of the Left in the 1993 legislative election, when the Socialist Party obtained its worst electoral result since the 1960s. Thus, we see a dip in both European policy approval and domestic policy approval. While the majority the public and those in parties approved of Mitterrand's decisions, it can be said that the growing discontent amongst the public presented a very real possibility of change.

Case 4: Kohl Plays the Waiting Game. As Chancellor of Germany, Helmut Kohl's European policy (GDV1) was constrained by the public (IV1) in the 1989 German EP elections. While the vote demonstrated that the majority of the public approved of Kohl's domestic and European policies, the small proportion that voted for the Republicans was influential enough to threaten the majority hold of Kohl's CDU/CSU Party in the Bundestag. Because the Republican Party ran almost entirely on an anti-EC platform, one can assume that those who voted for them were expressing discontent with Kohl's European policy. The results constrained Kohl from pushing ahead with further decision-making, as he was worried that provoking a debate on EMU would further tarnish his already suffering public reputation.

Kohl's weariness paid off, when, in the December 1990 unification elections, the public voted to reelect him, thus allowing him to act autonomously when making European decisions. The focus of this election was principally German unification; European issues were hardly mentioned. While this is a comparatively weak case in demonstrating the influence of the public over a DV (as they did not *change* his decisions, but merely made him wait to act), it demonstrates the importance of approval of domestic policies as a determinant factor.

Case 5: Kohl trumps public disapproval. Chancellor Kohl (GDV1) was able to assert the decisions made on EMU in Maastricht negotiations with overwhelming support from parties in the Bundestag and Bundesrat. While the public was presented a channel for challenging the decisions made by Kohl through Constitutional Court, they were unable to legitimize their anti-EMU stance.

This case differs from the previous cases in that public opinion seems to have had little direct bearing on the outcome. The German Bundestag and Bundesrat overwhelmingly supported Kohl's EMU policy decisions. The fact that Kohl required approval from the main legislative bodies of the German government provides evidence that counters the democratic deficit claim that elite representatives to the EU are beyond the control of national parliaments. The support of the Bundestag and Bundesrat also allowed the Kohl government to avoid direct public consultation.

With no election on the horizon, Kohl's government would not have been overly concerned about any potential dip in their approval rating. Further quelling these fears was the fact that the public at the time approved of Kohl's domestic policies. Because elections

are primarily focused on domestic issues, a contrary European policy would not necessarily threaten Kohl's hold on power. Thus, even though the public did not agree with Kohl and the parties in regards to European policy, their support of his party's domestic policy was such that there was no fear about disagreeing with them.

Case₆: Danish referendum rejects Maastricht. Danish Prime Minister Schlüter (DkDV1) was made to change decisions on EMU in Maastricht negotiations because political parties (IV2) prevented him from securing the five-sixths majority in Parliament needed to avoid a referendum, and because the subsequent public referendum (IV1) on Maastricht narrowly failed.

In Denmark's Parliament, a bill must achieve a five-sixths majority to approve the delegation of national powers to international authorities without a referendum. But because this majority was not reached, the decision was put directly into the hands of the public by means of a referendum. The fact that the Danish Folketing was able to reject the decisions of Schlüter provides evidence contrary to the democratic deficit argument that representative elites to the EU are not held accountable for their actions by national parliaments. When the referendum rolled around, the public voted to reject ratification of Maastricht. The reason for the Danish 'no' was mainly related to European Community/European Union issues, and not dissatisfaction with their leaders or for ulterior motives.⁴⁶ Therefore, it can be said that regardless of whether the public approved of domestic policy, they joined the parties in disapproving of European policy. The combined disapproval of these two allowed them to change the DV appropriately.

Developing a Theory. The results of the study demonstrate that if public opinion (IV1) and political parties (IV2) are aligned, and there is disapproval of the (European policy decisions/stances of) DV, then the DV will change (Case 1, Case 4, Case 6). Conversely, where public opinion (IV1) and political parties (IV2) are aligned, and there is approval of (European policy decisions/stances of) DV, then DV will remain unchanged (Case 3). It was also demonstrated that where public opinion (IV1) and political parties (IV2) are unaligned, the approval of the domestic policies of policymakers becomes an important factor. Because politicians are strategic actors, they must ride party or public opinion. Thus, if the public and parties are not aligned over European policy but do both approve of domestic policy, elite policymakers can assert their European policy without fear of losing any impending elections or the confidence of their party (Case 2, 5). Conversely, if there is disapproval of domestic policies from either, the DV will be forced to change. For further discussion, see complete Thesis.

IMPLICATIONS

The goal of this study was to assess the influence that the public and political parties have over the European policy choices made by their elite representatives to the European Union. Research was narrowed to the impact that public opinion and political parties within France, England, Germany, and Denmark had on elite policymakers participating in the supranational development of Economic and Monetary Union (EMU).

This study shows that there exist elements of democratic connection under certain conditions, whereby elites participating in EU policymaking are responsive to what political parties and the public within their Member State advocate. While in some regards this reaffirms standard views of the European political system, it also serves to add additional complexities to the debate. The following pages address some of these implications.

Implications for Theories of European Integration and Politics. In its simplest form, Intergovernmentalism asserts that European integration is driven by the interest and actions of elites in European Member States, who act to protect their geopolitical interests, such as national security and sovereignty. These geopolitical interests are arguably shaped by the preferences of societal actors, such as parties and the public. Liberal-Intergovernmentalism, a more updated theory posited by Moravcsik, maintains that economic, rather than geopolitical interests, are the driving forces behind the decisions made by these representatives.⁴⁷ The results of this study show that the impetus for EMU was provided by both geopolitically and economically-driven elites from within Member States, particularly France and Germany. It further shows that in many cases, these elites were constrained by, and acted in accordance with, the interests of societal actors. However, the fact that the guidelines for EMU policy were supplied by the supranational Delors Report, rather than by national actors making intergovernmental bargains, lends support to Sandholtz's counterargument, namely that state executives are pressured by the policy initiatives of the supranational European Commission (EC).⁴⁸ Furthermore, we also see that in many of these cases the preferences of societal actors did not, and often could not influence the preferences of elite policymakers. The results of this study thus imply that the Intergovernmentalist bottom-up approach to EU integration cannot, on its own, provide an adequate explanation for the relationship between domestic actors and representative elites.

The essential claim of Supranationalism is that Member States are not in full control. Rather, it is the supranational EU institutions that exert significant independent influence on institutional policy outcomes. The domestic implications of this theory are that the bureaucracies of Member States have become fused together, and most pertinent to this study, that there has been a dilution of national preferences in favor of European partnership.⁴⁹ While the fact that the Delors Committee set the guidelines for EMU does support this theory, this study reaffirms Moravcsik's contention that it is not necessarily the European institutions that always set the tempo for integrationist policy. A glaring example of this was made by Denmark's first Maastricht referendum, whereby national actors were able to counter EMU guidelines, providing, and ultimately implementing their own exceptions to the Treaty. Similarly, the claim that there has been a dilution of national interests is countered by the fact that, in some cases, domestic actors were able to assert their national preferences and constrain or change the decisions that their national elites made when negotiating in the EU. Therefore, it can be argued that Supranationalism does not provide an adequate explanation of the interaction between domestic actors and national elites, or of that between elites and the institutions of the EU.

Fusion Theory claims that governments of Member States must find the means to reconcile potentially contradictory European and domestic pressures.⁵⁰ Essentially, there persists a 'two-level' constraint by which national governments must make policy decisions that are acceptable both domestically and internationally.⁵¹ Thus, rather than attempt to explain European politics as either solely Supranationalist or Intergovernmentalist, Fusion Theory reconciles the two, viewing elites as actors stuck in the middle: they must act in the interest of national preferences, while at the same time attempting to account for the pressures placed on them by European institutions. While it is possible to contend that Thatcher did not attempt to resolve her European policies with either EU or domestic pressures, the fact that this contributed to her downfall as Prime Minister lends credence to the argument that successful governments must reconcile the two if they wish to contribute

to EU policies. Thus, the results of this study do not provide evidence contrary to this theory. Rather, they reaffirm that indeed, both supranational and national pressures play a vital role in determining the policy outcomes of EU negotiation.

Implications for the Democratic Deficit. One of the primary arguments for the lack of democratic legitimacy in the EU is that European integration has reduced the representational qualities of European democracies by concentrating an increasing amount of decisions in what is an executive dominated political system.^{52, 53} Actions taken at this European executive level are arguably beyond the control of national parliaments, as they "are much more isolated from national parliamentary scrutiny and control than are national cabinet ministers or bureaucrats in the domestic policy-making process. As a result, governments can effectively ignore their parliaments when making decisions in Brussels."⁵⁴ On one hand, this study has made it apparent that permissive consensus allows elites to avoid democratic consultation while the supranational decision-making process is taking place. At the same time, however, the results align with Moravcsik's counterargument that the European Union has in fact made executives more accountable to their citizens.⁵⁵ One such example of national parliaments keeping a check on the actions of their representative elites occurred when the British Parliament's held Thatcher responsible not simply at home, but also in a wider European context. It seems, therefore, that while there is little democratic consultation, the actions taken at the European executive level are not necessarily beyond the control of national parliaments.

While the EP is the only branch of the EU that is directly elected, critics have demonstrated that it is weak compared to the governments in the Council.^{56, 57, 58} Neither national elections nor EP elections are 'European' elections: they are fought on domestic rather than European issues, and parties collude to keep the issue of Europe off the domestic agenda.^{59, 60} The consequences are that EU citizens' preferences "on issues on the EU policy agenda at best have only an indirect influence on EU policy outcomes."⁶¹ While, this study confirms a lack of genuine 'European' elections, it also demonstrates that the public can utilize elections as effective means by which to constrain the European policy decisions of their national elites. As demonstrated in the 1989 EP elections in Germany, negative results persuaded Kohl to take a different approach to EMU. Similarly, the Conservative Party's loss in the 1989 British EP elections demonstrated public disapproval with Thatcher's European policy. While these elections did not directly result in a change of her policy, they marked the beginning of her downfall as Prime Minister. It can be argued, thus, that the indirect influence of elections is very real, regardless of their lacking a European focus. At the same time, however, this indirect influence confirms the EPs inability to directly act as a legitimate democratic institution.

Further claims of democratic deficit show that the European Union is either too far removed from electoral controls, or too complex for citizens of the member states to understand and form reasoned opinions about.⁶² According to such arguments, the EU has alienated European citizens with serious repercussions for both the traditional democratic ideal of a citizenry educated in the governmental process, and the ideal of government actors accountable to the general public. Moravcsik counters this argument by claiming that the EU policy-making process is more transparent than most domestic systems of government.⁶³ While the results of this study do not directly address this aspect of the democratic deficit, they do in many ways confirm the detrimental consequences of this problem. For example, low EP election turnout can be attributed to the indifference of

voters towards European issues, indirectly compounding their already lacking democratic nature. Furthermore, voter alienation may account for the persuadability of the European public, the consequences of which can be seen in France's Maastricht referendum, whereby the decisions of Mitterrand, who had enjoyed one of the largest European policy approval ratings in Europe, was nearly vetoed at the last moment by those opposed to ratification. Thus, it can be seen that by distancing itself from European citizens, the EU has threatened the traditional democratic ideal of citizenry educated in the governmental process.

Finally, the results of this study substantiate the claim that policies decided upon at the European level are not representative European voter preferences. In the majority of cases studied in this paper, it can be seen that the public did not support the European policies decided on by their elite representatives. In some cases, these decisions were amended so as to represent the interests of the public. In others they were not. This raises an important question: In such a vast and complex system, can the interests and preferences of every individual actor be reconciled? At the moment, the answer seems to be a definitive no. For now, it appears that policies in the EU will must come about as a result of compromises between interest parties from all the Members States and all the main party oppositions.⁶⁴

Implications for the Future. The evidence against Intergovernmentalism and Supranationalism should not be taken to mean that these theories are absolutely right or wrong, but rather, that we're dealing with a very complex political system. The true value for political scientists lies in identifying subtle ways that these models can help us interpret the evidence, and how the evidence helps us reinterpret them.

More importantly, this study has demonstrated that European executives have become more accountable for their European policies, and that national pressures are capable of indirectly influencing policy decisions at the European level. At the same time however, it seems that the link between national politics and EU level politics is considerably weak. While the directly elected EP does attempt to reconcile this problem, it does not do so effectively. To ensure that the democratic nature of the EU is improved, further research must be done to advance our understanding of the true nature of the 'democratic deficit'.

While this study has contributed some valuable knowledge to theories of EU politics and the democratic deficit debate, it does not necessarily paint an accurate picture of the European Union today. Because it is difficult to gather evidence regarding the inner workings of the EU until many years after the fact, this study focused on the period of EMU development between 1989 and 1993. Since then, many changes have been made. Thus this study should serve as a work that future researchers can refer back to when attempting to measure the successes and gains of the European Union as an ever increasingly successful democratic institution.

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