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By announcing to our audience the "fun and games are over" and by raising expectations, you are hardly making my task any easier, dear Thierry. I nevertheless thank you for your invitation to speak at the World Policy forum.

Before a gathering of such talented people, and with such a short amount of time available, I don't claim to be able to present anything more than my own particular viewpoint, i.e. the testimony of a "foot soldier" in the field of international action, from within the confines of a rather unusual democratic institution, the European Parliament, which is, I would point out (in particular for those from outside the European Union and perhaps also for a few Europeans), the only Parliament elected by direct universal suffrage at a supranational level.

So, allow me to start by making a preliminary remark – you were no doubt surprised when Mr de Montbrial introduced me as a "half a Tocqueville". He was in fact making a humorous reference to the fact that Mario Monti and I have just published a book entitled "De la démocratie en Europe", echoing the seminal work by Tocqueville on the United States of America. Our aim was to reflect upon democracy in European countries and in the EU over the long term and from a global perspective, which is why we added the subtitle, "Voir plus loin" which indicates our desire to go beyond the "Brussels" categories of thought. You are fortunate in that Mario Monti will be giving a speech just after lunch. I shall therefore confine myself to three remarks.

The first relates to the political organisation of the world.

It is striking to note that we consider a way of organising the world that was put in place barely three centuries ago, as "normal" and bound to last. It was, in fact, the peace treaties of Westphalia which, in 1648, consecrated the existence of States exercising their sovereign power over a territory and a given population, which more often than not formed a homogeneous nation. Over time this model spread, with variations, first within Europe, then outside Europe, in particular as a result of colonisation and decolonisation. On the global level, this type of organisation of political powers is now considered by most people to be a permanent state of affairs.

But can we be sure of this? And can we really manage the planet by relying exclusively on the voluntary co-operation of sovereign States that insist on defending their sovereignty and, which are very often, in practice, not very co-operative?

If we look at the situation objectively – without being deliberately provocative, just objective – and consider how well States and the international organisations in which States work together have performed, the result is not impressive. Meetings are organised, such as for example within the G20, which provided a platform for useful discussions during the crisis. Various work programs or "agendas" have been adopted. But there is a vast gulf between the fine promises made and what is actually delivered.

We are faced with two difficulties. The first relates to collective efficiency. Are we able, in the present circumstances and given the way the world is organised, to successfully deal with the problems confronting us? In a certain number of areas, we have had some success (international trade for example); but in many cases, we have had no or very little success (the eradication of poverty for example). From peace-keeping by the United Nations to the objectives set out in the fight against climate change, the examples of collective impotence abound. As a result of the financial crisis, many people have raised question "how was it possible that over the previous decades we didn't see the increasing indebtedness of our countries"? However, as things stand at present, as a result of a similar blinkered attitude, we are now turning a blind eye to our increasing ecological debt to the planet. Something that we may live to regret.

The summits at which world leaders meet up to deliver magnificent speeches are mountains which generally beget very small mice. People are starting to tire of this ineffectiveness, and this is leading to the discrediting of national authorities; the loss of trust that is evident in many countries, with regard to the ruling classes, cannot be dissociated



from the malaise created by the failures of public action. Paradoxically, this malaise is also causing nations to turn in on themselves, ignoring the fact that States, far from being the solution, are part of the problem.

My second remark is that this organisation is not democratic enough.

The high points of the democratic life of our countries occur at the national level. During election campaigns, those who would lead the country, give a certain number of undertakings. But once elected, they find they are bound by interdependencies and constraints that they had generally largely underestimated or even passed over in silence.

Democratic choices are less and less taken at the level where decisions can effectively be taken. At the level at which action is required (the international level), there is no democratic consultation.

In international organisations and other global forums, democracy is the poor relation. Thus, the G20, which is an interesting platform for discussions and for exchanging ideas, is largely lacking in the minimum democratic legitimisation required. Apart from the fact that some G20 countries are not democracies, a lot could be said about the criteria used to select its members – entrance into the global "cockpit" is governed by a strictly economic logic, which excludes entire swathes of the world.

At best, in the G20 or in other clubs, the measures taken by the executive bodies are consigned in various treaties or agreements, which are then put before parliamentary assemblies. But the choices available to national parliaments are, in fact, limited to either authorising the ratification of agreements in the form in which they were negotiated, or rejecting them, which restricts the debate on the substance and fuels a degree of exasperation with international standards. This situation is made even worse if there is a referendum.

Thus, the existence of interdependencies in the areas of finance, the environment, society, immigration or security, results in national democracies being dispossessed of their power, either as a result of executive bodies not collectively achieving their aims, or due to the fact that they achieve them by acting in place of the legislature, with no regard for the separation of powers.

Let us examine one example which I noticed during my time at the Economic and Monetary Commission of the European Parliament. Important global agreements were reached in the context of the Bank for International Settlements, one committee of experts of which is known as the "Basle Committee", designed to ensure the supervision of activities (Basle III agreements relating to the capital and liquidity requirements of banks). Amongst other things, it is the task of the European Parliament and the United States Congress to lay down the procedures governing the application of these rules, via laws and regulations. But the European process (that leads to the negotiation of texts known as CRD4, capital requirement directive 4) and similar discussions in the United States are in the process of being uncoupled. It is not only a lack of goodwill, although this exists, but above all the fact that it is difficult to apply rules, under favourable competitive conditions, to economies that are financed in very different ways (principally by banks in Europe, by markets in the US). Thus, with regard to banking and even though capital circulates freely at the global level, there is still no global regulation drawn up in accordance with satisfactory procedures i.e. procedures that are both efficient and democratic.

This therefore leads to my final remark on the European Union, its true virtue.

After this rapid overview – and I request your indulgence for the fact that it was necessarily a simplification – I trust that the originality and significance of what has taken place in Europe over the last 60 years has become more apparent.

The construction of Europe was the result of an analysis of the malfunctions of intergovernmental international cooperation. It was not by chance that Jean Monnet was the Secretary General of the League of Nations between the two world wars. He found himself in a position to witness the extent to which this system was unable to attain the objective set out for it by the governments involved – namely, peace, with the tragic consequences that we are all aware of.

The creation of the so-called "community" institutions was, in part, a response to the problems of efficiency and legitimacy linked to the world being organised on a "Westphalian" basis. This explains why the various ways of



"building Europe", i.e. between governments only, or based on institutions, such as the European Commission, the Court of Justice and a Parliament elected by direct universal suffrage (since 1979), are not of equal merit.

There exists a major difference between the two methods, based on the ability (or lack thereof) to develop a higher interest – and I am speaking here before a commissioner, a former commissioner, and a former President of the ECB, who could certainly say far more about this than I can. Community institutions are, in the area of political science, the most significant innovation for centuries.

Of course, these institutions and the States that comprise the Union do at times make the wrong decision (as is evidenced by the euro crisis) but they are testimony to an effort that is unique in the world to exercise sovereignty by sharing it, whilst at the same time asserting the rule of law. On the eve of the ceremony to award the Nobel Peace Prize to the EU, I would like to emphasize the fact that this distinction is justified. On this continent, not only do we no longer kill each other for territory, in the name of outdated sovereignties, but legal and political mechanisms have succeeded in evening out power relations (to a certain degree).

Compared with what happens in other parts of the world, this is not an insignificant achievement. Moreover, we have ourselves been slow to understand this. We need only visit Verdun, in Lorraine, which was the scene of appalling battles during the First World War, or the ossuary at Douaumont, to see how many young men have died for a few square metres of land between France and Germany, to understand where Europe started from and why it is in no position to give lessons to anyone.

It is moving for me to talk about these subjects in the presence of Robert Badinter, who has made an enormous contribution, at the global level, to advancing a supranational rule of law. For international action to be effective and democratic, there must be a rule of law and institutions, in particular courts, that are above States.

A binding rule of law, and not merely commitments blown about in the wind like so many dead leaves. This rule of law in Europe, is prepared by the European Commission, acting independently. The Court of Justice is responsible for ensuring that it is applied.

This is the exact opposite of what happens in the European Council – and let me be clear in the presence of the Prime Minister of Italy, Mario Monti – where too often, it is not the rule that prevails but haggling, that results in the application of the smallest common denominator. And the opacity that reigns there encourages power dynamics. One of the weaknesses of the euro is that instead of making full use of the community method, by allowing a judge (the Court of Justice) to verify that everybody effectively adheres to the budgetary and economic rules and undertakings that were its cornerstone, Europeans, suffering from collective amnesia, drew up the Maastricht Treaty – they took a step backwards by basing the currency on voluntary undertakings by States... With the result we see today.

This has led to my deep conviction that Europe is in crisis more because it has disowned itself, and its specific characteristics, than for any other reason. In recent years, instead of strengthening the community method and trusting in strong institutions, that guarantee compliance with the rules, we have implicitly, in a small-minded and petty manner, encouraged an attitude of every man for himself, whilst living under the illusion of residual sovereignty.

In passing, we have also forgotten one other thing – the writings of founders such as Alcide De Gasperi, Robert Schuman, Jean Monnet and Robert Marjolin or Paul-Henri Spaak, remind us that these men were able to learn the lessons of the period that followed the First World War. They understood that the Second World War was the result of man's inability in the 1920s to understand the concept of interdependence. If we base ourselves on short-sighted, so-called national vested interests we may consider that it is in France's interest to humiliate Germany, which explains the reparations requested from defeated parties. But France's true interest is for Germany to be successful, and vice versa. A naïve vision? Not necessarily, as the co-operative method so disparaged by the advocates of Realpolitik has given us almost 70 years of peace.

What does this mean for the future? That we need to get back to "basics" and do our utmost to improve democracy in Europe in order to ensure the lasting success of the European project.



At the end of the '70s, the European Parliament, which up until then was merely a place where national parliamentarians met now and again, did indeed become a Parliament elected by direct universal suffrage, with considerable legislative powers. But, with no right of legislative initiative, with no fully-fledged budgetary powers, with no right of supervision over the European Council which, from the onset of the crisis has become the key body, it is still not a Parliament in the full sense of the word.

The best example of a failure to act is the community budget. Imagine a country in which the budget is not voted by Parliament, after an open debate, but negotiated unanimously by regional presidents. Everybody would say "how can you make do with a procedure that encourages selfish behaviour and creates divisions, to the detriment of the common interest"? This is, however, what we consider to be fair at the European level.

I am not here to argue in favour of full powers for the European Parliament, in a category-based logic. I merely wish to argue the case for common sense – without a community budget replenished by its own resources, the relevance of which would be debated in public, and an explanation of how European taxpayers' money will be used, confidence in the EU will not return. The current opaque system, that results in budgets that are geared to the past, and that favours spreading funds too thinly and making "discounts", is indefensible.

Obviously, much could be said about the way in which the European Parliament is elected, and its faults, which I am the first to acknowledge. But I think that on the eve of a European Council meeting, in the middle of December, when, for the first time since the start of the crisis, the democratic dimension is one of the four priorities set by the heads of State and government, the issue must be tackled.

We really need to get to grips with the question of democracy in Europe. We need to stop assuming that moderate Frenchmen and Italians, or Germans and Spaniards have nothing in common, whereas two Frenchmen, even if one is a moderate and the other is a supporter of the Front National, do have things in common.

Because, in fact, the key issue is precisely this – is the Nation the only framework in which I can exercise my political rights? Or should we consider adding an international democratic level of debate to the national level? Not only is it necessary, in order to legitimise the global (or European) policies that we now need, but it is in fact quite possible. And in our day-to-day life in the European Parliament, we are doing our utmost to extend this debate, as it is a substantive debate between Liberals, Greens, Conservatives and Socialists. People are supposed to defend their ideas not hide behind their little flags.

This is particularly important in the eurozone. If we consider our currency important and want to ensure its continued existence, then we have a whole range of decisions that we need to take together – in economic, social, fiscal, energy matters, etc...

What is at stake in our attempt to create a united Europe is far more than just Europe. This was clearly explained in a number of excellent articles by Paul Krugman published during the crisis. The success or failure of a new democratic model that can then be adopted at the global level is being played out in Europe.

Because, I repeat, I am under no illusion that Europe is the appropriate level. For many things, Europe is not even the appropriate level anymore, nor an end in itself. For climate change, it is not the appropriate level. For the fight against money laundering or against uncontrolled pandemics, it is not the appropriate level.

Europe may therefore make a contribution not only by constituting itself as a strong entity but also by producing an "instruction manual". Other manuals could also be developed, and it would in fact be a good idea if they were, from other regions around the world.

Far from being a subject for experts meeting as we are today, the question of the democratic organisation of the world is now a very real issue. If our attempt to create it is unsuccessful, not only will we have failed to resolve certain problems facing humanity, but we will end up destroying democracy at the national level. Dissatisfaction will lead to an increase in populism and nationalism and more and more national campaigns based on vain promises.



To conclude, a word about Tocqueville. One of the things that struck us in Tocqueville's works and in his "Democracy in America" is absolutely not the idea that there may be a ready-made federal American model, that could be transposed into Europe but rather, as you will see when you read the book – because you will read the book – a fascinating conviction that goes much deeper – the need to "see further" than one's own time.

This is all the more remarkable given that Tocqueville was an aristocrat from a family that was to a certain extent liberal whilst at the same time remaining loyal to the King, something for which it was famous (Malesherbes, his great-grandfather, had defended Louis XVI and lost his life as a result); however, he understood, at a very early age, that the aristocracy to which he was so attached was condemned by the inexorable demand, dating back centuries, for an "equality of conditions". He therefore visited the United States to verify this intuition against the overwhelming advice of the members of his caste. And everything that has happened since, in terms of demands for equality (social, men/women, etc.) proves that he was right.

I hope that not only Europeans, but also all the partners who are present here will help us, like Tocqueville, to "see further". Because it is after all the future of our children, on every continent, that is at stake.

Thank you.