

# Union Monétaire et Demoi-cracie





Reductio  
n du  
risque



Partage  
du risque



L'Angle Ddemoicratique  
ou  
pourquoi 'Union' > 'Unité'



*Land of Unity:*

*(Federal) State, Imperial Peaces*



*Land of Anarchy:*

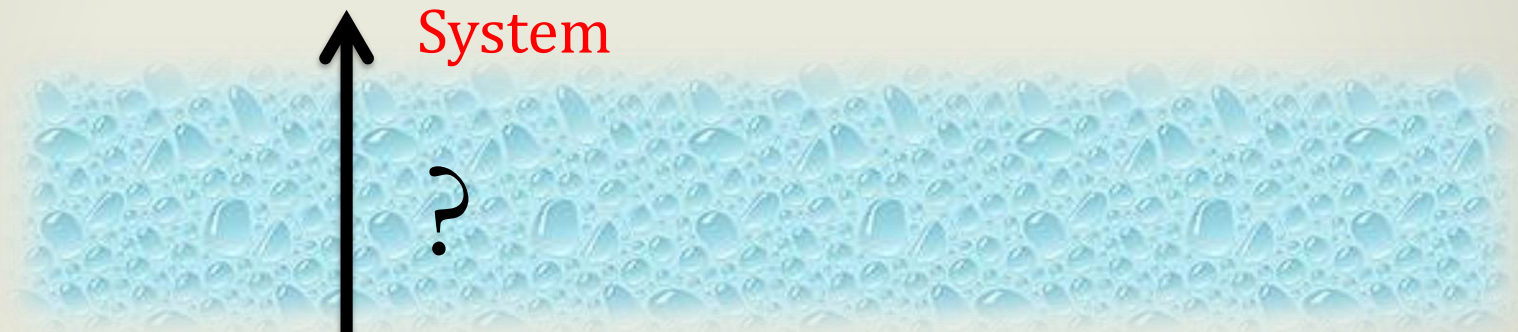
*Sovereign States, Competing Empires*

# At the Foundation: On the banks of the Rubicon

*Land of Unity*

**“RADICAL FEDERALISTS”**

Transcending the  
European States  
System



Upholding the  
European State  
System

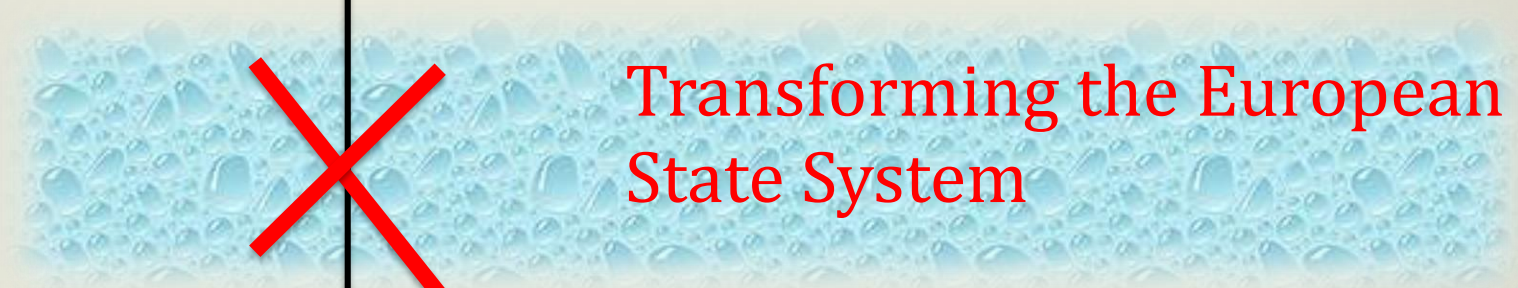
*Land of Anarchy*

**“SOVEREIGNISTS”**

# At the Foundation: On the banks of the Rubicon

**“RADICAL FEDERALISTS”**

Transcending the  
European State System



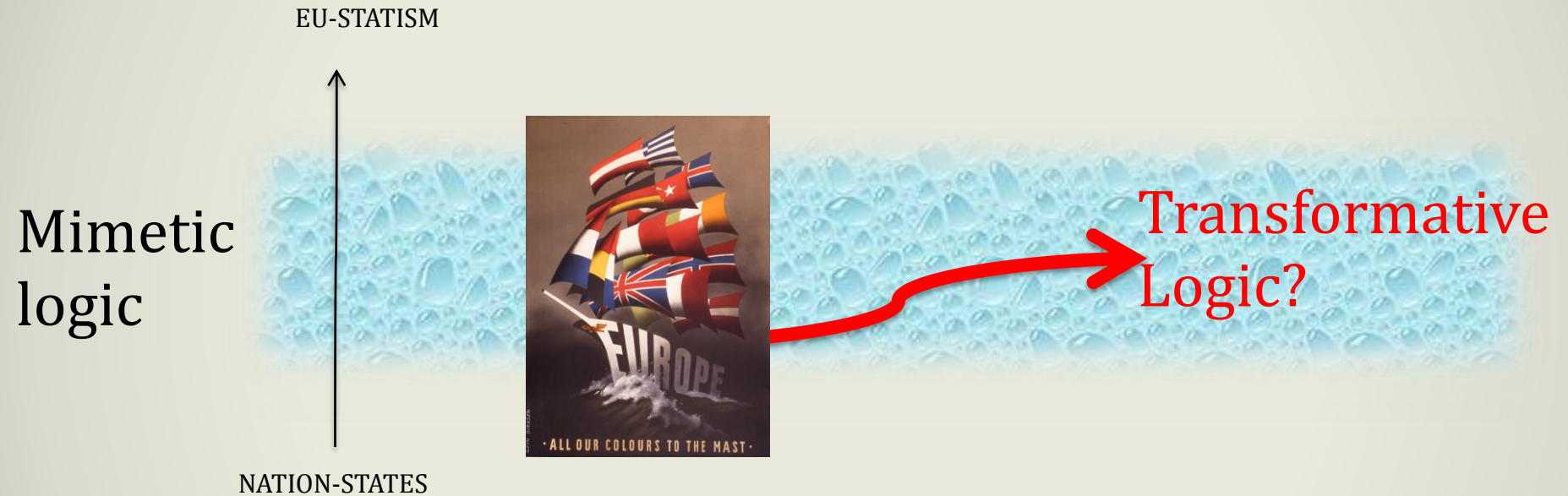
Transforming the European  
State System

Upholding the  
European State System

**“MODERATE FEDERALISTS”**

**“SOVEREIGNISTS”**

# Navigating the Rubicon: Mimetic vs Transformative Logics

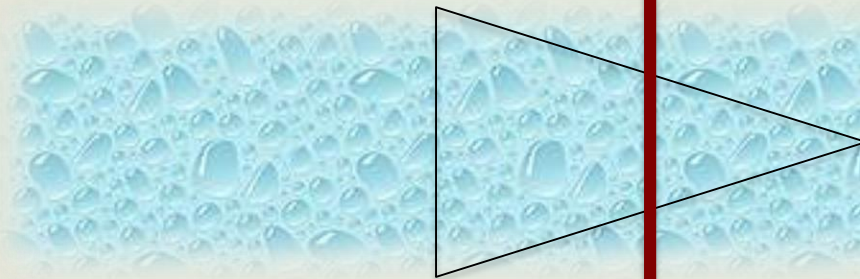


Democratic theory: Three political /normative orders

“EU as (federal) STATE”

*EU as **democracy***

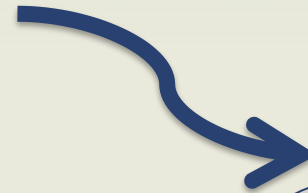
*Supra-national (demos)*



“EU as UNION”

*EU as **demoicracy***

*Trans-national  
(opening of demoi)*



**Democracy** as a  
Third Way not in  
between

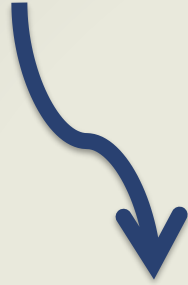
***Democracy***

***=>One People***

***=> Peoples***



# Demoi ...



Souveraineté des peuples  
Replacée au coeur de l'UE  
face aux effets combinés  
des marchés financiers  
et de la tentation technocratique

# .... Cratos



Développer ensembles et  
internaliser la gestion du  
vivre- ensemble

⇒ Condition:  
Ouverture nationale radicale  
“Other regarding”

# Crise globale et Crise Euro



**Centralisme?**  
Unité > Union

?

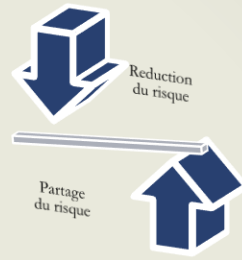
Equilibre  
Instable?

?

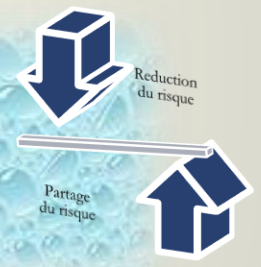
**Souvereignisme?**  
Fragmentation > Union



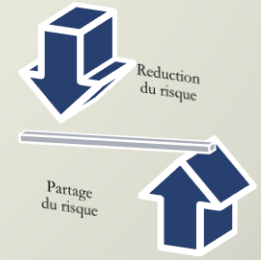
**Centralisme?**  
Unité > Union



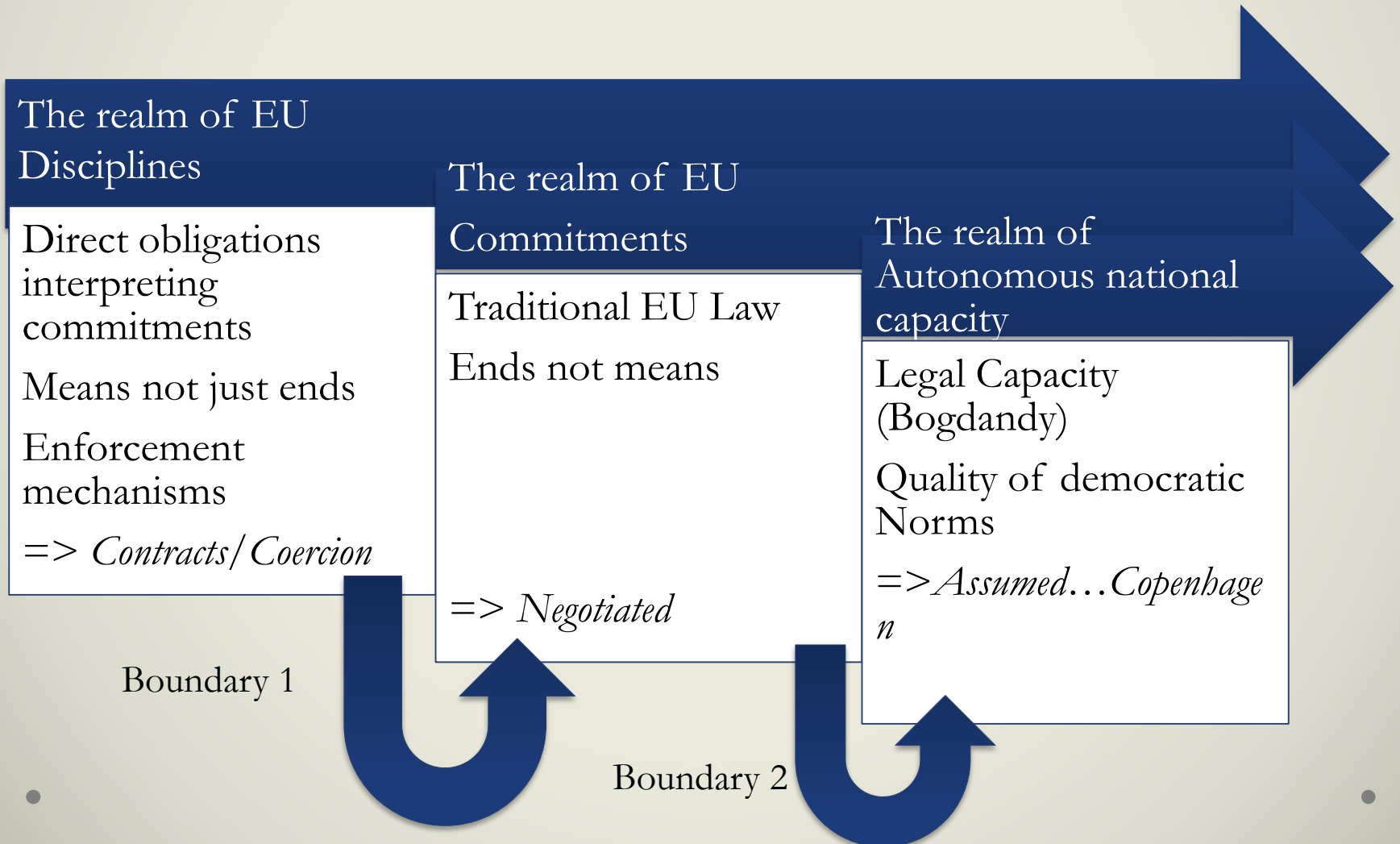
**Equilibre  
Instable?**



**Souvereignisme?**  
Fragmentation > Union



# A Weberian moment? The logic of democratic pre-emption and coercive integration



# Scope: Contagious Conditionality?

## From Sovereign debt crisis to sovereignty crisis

Programme  
Countries:  
Troika

- Purpose and Logic: bailout
- From Ad-hoc conditions to entrenched external governance

Eurozone  
MS/debtor  
states:  
European  
Semester

- S&G Pact– Cty method //OMC
- Semester ladder – monitoring- prescription- admonishment- punishment

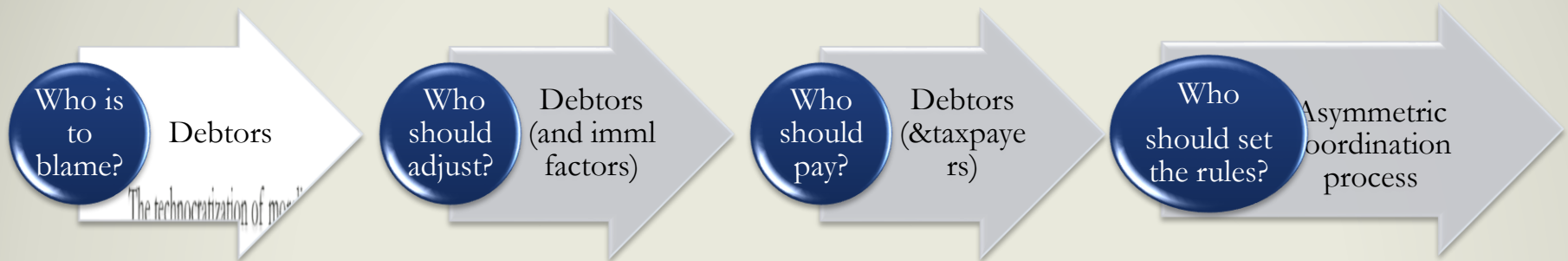
Eurozone  
Member  
States: Fiscal  
P

- Obligations (Fiscal Treaty)
- Sanctions (fines) for Deficits (Ends)

Compact

# The technocratization of politics as morality

The orthodox narrative's...



*...leaky reasoning.*



*Undisciplined lenders?  
Systemic vs unit level  
flaws? Design vs  
policies? Shared  
responsibilities?*



*Surplus countries?  
Demand-side?  
Deflationary bias?*

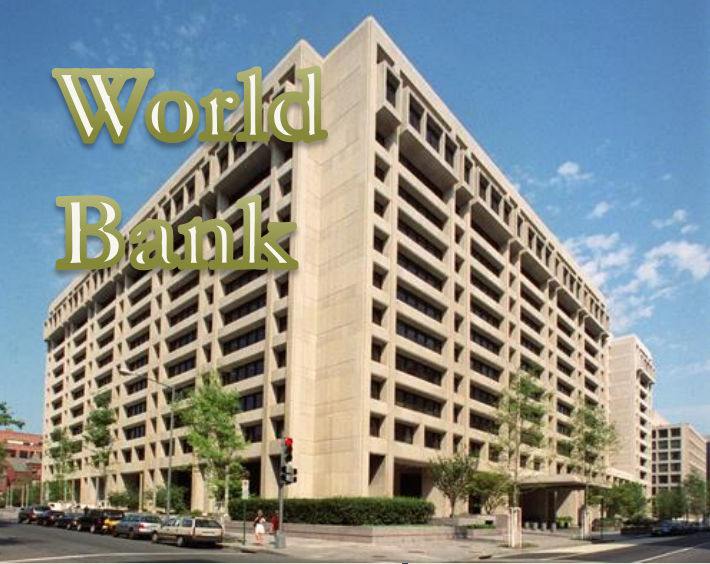


*Who can pay? Who  
benefits (exchange rate;  
Exports; Deposits;  
Interest)? Duties of  
assistance?*



*Aims? democratically  
sustainable reforms and  
leverage local knowledge?*

World Bank



Troika



# Resilience?

Towards a democratic and  
sustainable EMU



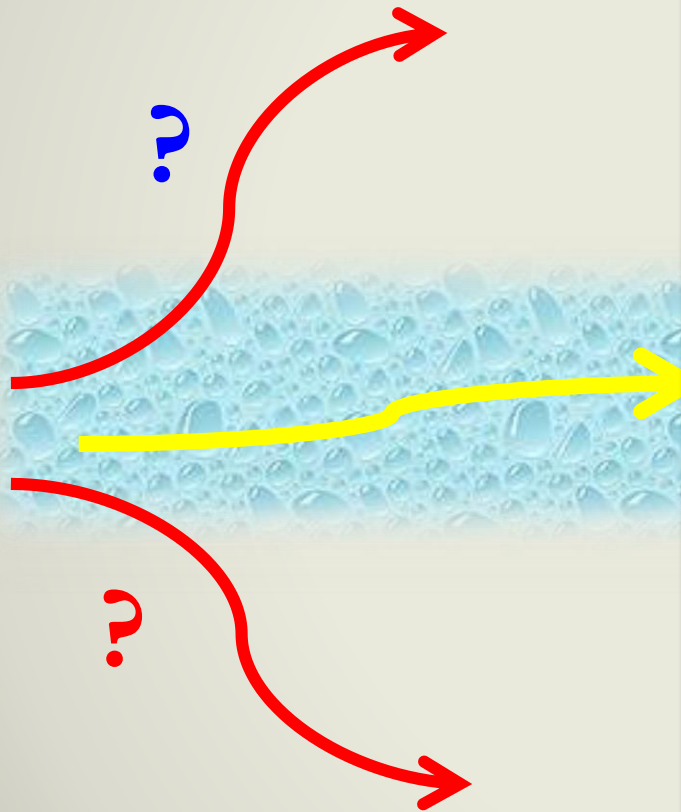


# A Sustainable EMU?

## **1. Risk Reduction:**

### ***Democratically Sustainable Reform***

- ESM-> EMF
  - micro-macro-prudential measures
  - Varieties of Modernization - productivity & migration strategies (Alicia)
  - Europe qui protege?
  - Reinforce National institutions to internalise externalities(expenditure > tax action)
  - Capacity (MIP and lagged indicators)
  - incentives (incl surplus countries; Troika)
- 
- // internalising risk of default and creating a sovereign debt restructuring mechanism > rescue loans to sovereigns



# La Greffe Démocratique



-> La proposition de traité de démocratisation  
du gouvernement de la zone euro (T-Dem) :  
assemblée transnationale hybride – parlementaires nationaux

# A Sustainable EMU?

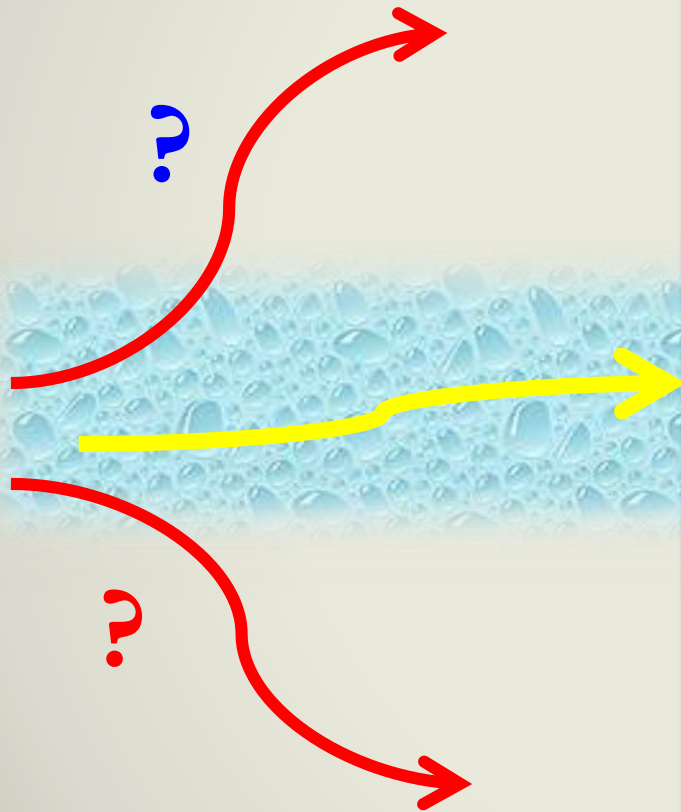
*1. Risk Reduction: Democratically Sustainable Reform; Varieties of Modernization*

*1. Risk Sharing: Sustainable growth*

- breaking bank-sovereign link requires risk sharing on deposit insurance, etc
- devaluation => Fiscal injection

BUT

- 1) Financial integration & banking union mitigates the need of fiscal transfers
- 2) Fiscal stabilisation starts with Countercyclical EU budget
- 3) Source Increased budget? tax evasion



# A Sustainable EMU?

1. **Risk Reduction:** *Democratically Sustainable Reform; Varieties of Modernization*

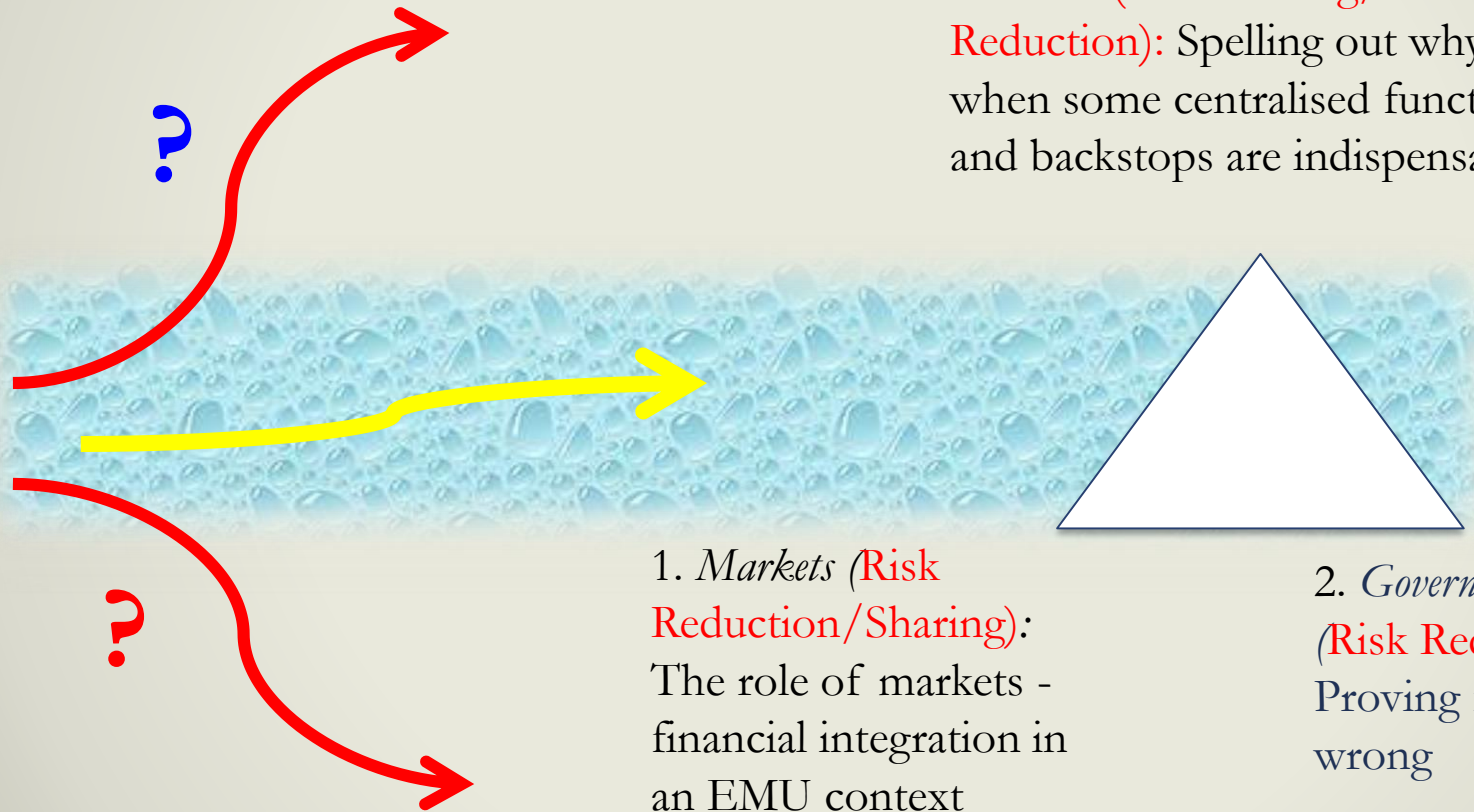
2. **Risk Sharing:** *Countercyclical EU budget; Sustainable growth and future-friendliness*

3. **Risk externalisation:** *Euro-External (EU and non-EU)*

- Two tier vs functional-pragmatic differentiation
- Asymmetric trade surplus model
- geopolitical vulnerability



# A sustainable and democratic EMU?



3. *Union (Risk Sharing/some Reduction)*: Spelling out why and when some centralised functions and backstops are indispensable

1. *Markets (Risk Reduction/Sharing)*:  
The role of markets -  
financial integration in  
an EMU context

2. *Governments (Risk Reduction/Sharing)*  
Proving fiscal disciplinarians  
wrong



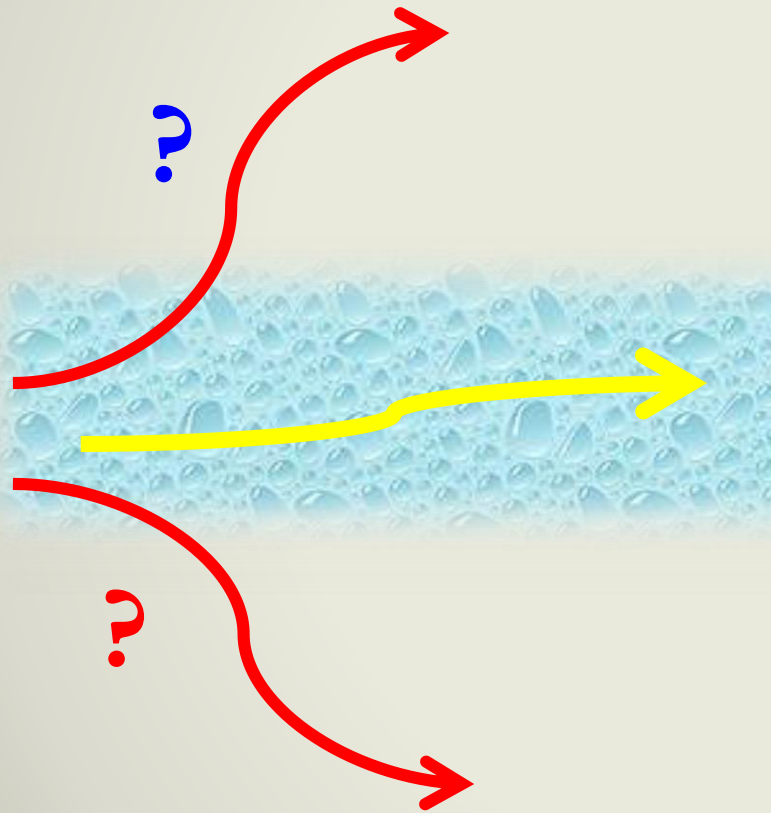
## Sustainable Integration

## The EU as Guardian of the Long Term

*The silver lining  
of complex multi-level democracy*



# A sustainable and democratic EMU?



1. *Markets (Risk Sharing): The role of markets and financial integration in an EMU context*

2. *Governments (Risk Reduction/ Sharing) Proving fiscal disciplinarians wrong*

3. *Union (Risk Sharing/ some Reduction): Spelling out why and when some centralised functions and backstops are indispensable*