

SUMMARY OF LECTURE BY
PROFESSOR PHILIPPE C. SCHMITTER

Thank you all for coming. I thank all of those who made it possible for me to be here, including the entry services at the Airport, which was... anyway.

It's obviously a pleasure to be here and to honour one of my own students. That's always a pleasure to see how well the students do, particularly I might add at the European University Institute, where they come from a variety of places and have gone to a different variety, one other variety of places.

This is a project which is not just original and interesting, and I know something about that because I used to be on the selection committee for these grants but not this one, a long time, a while ago. It's heroic. I think what Roland is trying to do is something that I'm not sure... he himself said it's risky. Namely, I think he is trying to revive the entire field of Labour politics. I thought Labour politics had disappeared. It began to disappear when Trade Unions and the political parties that would historically support them separated, divorced each other. That certainly weakened both the electoral Left and the Trade Union Left, but of course much more importantly it has been (undermined ?) then by the neoliberal policies and by European integration itself. So, can you revive the intellectual attention to Labour politics? I thought it had disappeared along with the so-called Left, Right political continuum and the famous median voter, which were staples of political science and now nobody pays much attention to those standard items. So. It is a heroic effort. Moreover, Roland does something which is even more risky, and that is to say he transposes this effort from the national to the European level, precisely at a moment when exactly the opposite is occurring. All you have to do is look at the results of the last few elections and you can see that it is precisely political parties and other social movements which are much more oriented toward, I won't say Germany first, Britain first, along with America first, but that is the dominant slogan, which has so far prevailed. So, it is not a time in which many people are trying to transpose this process of politicisation from its, as Roland puts it, its national boxes into a box that we don't even know exactly what it is and how significant it might become because it clearly is not yet that significant.

Now, the other thing that Roland did is he discovered something I didn't even know existed, and I am supposed to know something about European integration, although I haven't recently been writing that much on the subject but, and this is this famous new economic governance. There was a prior (slog ?) or prior acronym, the OMC, the Open Method of Coordination, and in many ways it was a precursor and precisely was aimed at some of the same things and it was a complete failure. For a long time at a (inaudible) you could get any amount of money you wanted from the commission as long as you would study the open method of coord... until they discovered that in fact

it produced virtually no significant policy. Even recommendations much less policy changes that actually were implemented. So, we have got something new now. We go from the OMC to something that sounds much more significant and here is this major, I think, something which is independent of well, let's say, the empirical product of this project conceptually, this distinction between horizontal and vertical integration I think will become a very important part of how we understand the European process in the future. Maybe I will say a bit more about that later.

Now, so, we have got something new, this NEG. Now on paper the NEG looks something very frightening to tell the truth. I hadn't realised how much was hidden away in those famous six pack business and it fits in with a general concern in democratic theory that has first been identified, at least a name put on it by Robert Dorm at Yale University, in which he talked about guardian institutions. The general observation is that all liberal democracies over the past 30/40 years have been creating deliberately non-democratic institutions to deal with certain kinds of sensitive policy areas. The obviously most important of these has been central banks, but there are all sorts of new regulatory agencies. I think at the European level there are now 33 or something like that. They are less significant of course than the national ones, but nevertheless this proliferation of expert, presumably interest, how should I say, not interest free, but at least not self-interested experts who then deal with these policy areas that are assigned then to institutions which are deliberately created to separate them from the normal competitive processes of political parties interest groups, etc., and presumably then to operate on some kind of supra political criteria. And this is an example of this sort of guardianship so to speak transposed now to the European level and the question is, will they get away with it. I think that's probably the underlying question to the whole project and I think Roland believes they won't get away with it. I'm not so convinced, but we'll... Now let me just as Roland said this is a risky project, so I am going to talk about four risks and we'll see. Roland knows this is my way of dealing with students. I always criticise everything students bring to my office, so, please, this isn't criticism this is an attempt to identify areas which seem problematic, let's call it that, risky if you wish.

The first one of course is does the NEG really exist. It exists on paper. The European Union has been extremely successful in avoiding responsibility for many of these kind of policy areas. As you all know the European Union itself has very, very few Civil Servants, or employees for that matter, mostly translators as a matter of fact, that is the biggest core. So it always uses local. It indirectly implements many of these measures. So this is not going to be something where some police are going to arrive from Brussels and impose these decisions, they are going to be filtered through national

guardian institutions, many of which are already in place and are, particularly of course the central banks at the national level. So that is the first. And also the European Union has become extremely, how should I put it, flexible in disguising its imperatives. So it always presents solutions, comprises, allows different time periods, changes a little bit the figures, overlooks some blatant cheating on the part of national governments, so the EU is a difficult kind of bureaucracy to deal with precisely because it's not this concentrated centralised bureaucracy but offloads these responsibilities to national countries.

I just happened to read the newspaper on the way here and in the *Corriere della Sera* Italy is a good example of what is going to happen, because it turns out that in April the Italian government is supposed to send a document to the Ministers or to Brussels with estimates of both budget costs and budget resources for the next year. Now it is a slight problem since Italy doesn't have a Government at the present moment and it is pretty clear that if it is going to get a Government it is not going to be the same people who are there, so there is that slight complication. But there is every sign that what the Italians will send will not be acceptable according to the strict rules of budget deficits and adding to national indebtedness. So what is going to happen? Will the EU just quietly say well we'll wait until we get a government before we say anything, or will the EU say that's not acceptable and then what's going to happen? And that is exactly a test, if you wish, of this mechanism that you have discovered. Whether this mechanism actually can become a source of politicisation or would be simply, how should I say, papered over or compromised in such a way that it becomes almost impossible to mobilise any significant publics in resistance. So that is my first question, because it is extremely important for the whole project that it exists, and it will produce binding decisions which are not necessarily compromised in such a way as to accommodate individual countries, which is as I say the history of the EU generally has been that. So in order for politicisation to be observable and therefore to presumably to have an effect upon Trade Unions and Labour politics it seems to me that that is the first threshold. We have to be convinced that the NEG exists, that it will make decisions and it will be capable of making hard decisions that are not acceptable to member governments.

Secondly, as I mentioned, this whole project fits into this general concern that of people who study democracy, or the practice of democracy from the normative point of view, namely this proliferation of non-democratic expert or regular Tory, independent regular Tory commissions was the first instance of this in the United States and the question has become what is the legitimacy of these? From a purely democratic point of view there is no legitimacy. These do not depend on some form of competitive political

process in which various actors that are capable, or overtly capable or of acting and influencing the outcome. The answer, of course, is something which has been used extensively in the case of the EU, namely output legitimacy. We don't care how they make the decisions, as long as the decisions produce outcomes that are acceptable and perhaps even seen by the public as better than outcomes that might have been subject to some form of contestation or even mobilisation for this matter.

So, what does that mean for these guardians, these European level guardian institutions, what is the basis of legitis? We know that increasingly domestic and this, now we are looking at the national level, there is an increasing challenge to the legitimacy of EU institutions. Now whether or not this challenge will be extended to this kind of guardian or technocratic form of decision making will obviously depend on performance. And the big problem there is what is the time period in (a sect ?) that is going to provide this incentive for mobilisation that is at the core of this approach, and I'm not sure what that means, but as I keep saying the EU has been very good at deflecting attention from this and of course of claiming output legitimacy in terms of overall growth or stability of the currency, etc.

Then there is a third aspect of this, which I started talking with Roland about. If you read in the careful fine print of his proposal you will see at various points that he mentions Trade Unions and social movements. The project has no specific focus on social movements. It is sort of a concession that maybe in response, if there is this clear rejection let's call it, that the Trade Unions will be the primary actors. I submit this is very unlikely. I think in many cases, including the field, the water one which is used as the leading example of what might happen, it was not Trade Unions which took, certainly I know a little bit about the Italian case. It was not Trade Unions, it was social movements. So then the question becomes in this research project how much attention are you going to pay X (ex ante ?) to social movements or do you wait until somehow something begins to happen and then you look and start thinking about what it is about the nature of social movements and about those who are active in them that leads to this kind of response. So this is a risk. The risk is that Trade Unions, yes, somehow will be affected by this, but they will be affected in a secondary manner or even one which is relatively marginal compared to the likely response of social movements, because social movements are much more flexible. That is one thing we know about Trade Unions. Trade Unions are not flexible institutions, least of all when many Trade Unions have more retired members than they have active members. So under those circumstances it is very risky for Trade Unions to get involved with these kinds of issues, whereas social movements precisely are focussed on these kinds of sources of

discontent and therefore it seems to me, anyway, more likely to be the site at which mobilisation occurs. We'll see, OK.

Finally, there is the elephant in the room. The entire project, except for one phrase, does not mention political parties. There is a mention at some point to Labour friendly political parties and as I mentioned one of the big changes in the nature of the Labour movement has been this separation as Labour friendly parties increasingly focussed on middle class voters and the so called median voter, not any longer, but they are all declining, the Left parties as we all know and in one election after another have been losing clientele. Nevertheless, the question becomes what about political parties? And the most likely political parties for responding, if there is going to be a response, is going to be populist political parties. Whether they are on the Left or the Right seems to depend on how your latitude, that is to say the further South you go the more likely they are going to be on the Left, the further North you go or in the Centre they are on the Right, but still they share a lot of characteristics and these are precisely...

[In (Inaudible) Ireland we are also (inaudible)]

They're what? In Ireland?

[We are on the North as well].

You are on the North? I always thought Ireland was a misplaced southern country myself. Those were back in my days when I studied corporatism and I began finding the flirtation of Irish intellectuals in the government with corporatism in the 1930s and they were really Mussolini and Salazar and company in those days, so that made me think that Ireland was misplaced, but nevertheless that's my own deformation. So, where do political parties fit in this scheme? I couldn't find them. And where are you going to put them, because we know that political parties, and especially I might add, new political parties are, if not indifferent, even hostile to Trade Unions, despite the fact that many of the voters for these populous parties come from what we would have thought to be historically the clientele for Trade Unions, particularly in the United States but maybe I think that that holds for other European countries as well. So it is displaced, usually male voters of the working class and less educated population who are those prime clientele for these populous parties. So, if NEG actually produces some kind of real constraint and that then gets translated into controversial politics, i.e. capable of mobilising people, who is going to do the mobilisation? Now I suggested a minute ago social movements, but then there's this kind of interesting confusion these days between populous political parties who start out as social movements. In Italy

the Cinque Stelle started out as a movement and then they begin competing in elections and they become a political party and, who knows, they may end up forming the next Italian government for that matter, so the line between mobilisation and movement type politics and populist political parties is a porous one.

So, I go back to the beginning. This is a heroic project. This is not only a significant project, it's heroic, it's risky, OK, and I think that is one of the nicest features of this project. I am very anxious to find out what happens from your team and I hope we stay in touch, but as I say I like the idea of a risky project and I am delighted that it managed to get through a selection process, which is not always favourable to risky projects I might add, and I want to just say that to win one of these ERC grants is one of the most difficult competitions you can do as an academic, so independently of the discipline, the country, or whatever it is, this is an extremely competitive field and this risky project managed to do it, so I congratulate you, Roland, and I hope you are right, but I have got my suspicions that you are going to have to expand this project in the course of doing the research to include some forms of collective action which you haven't started out with.

Thank you for your attention.