Is the EU Technocracy-Ailed? A Conversation with Federico Rampini

Francesca Giuliani (February 22, 2012)



"Is Democracy On The Retreat?" is the question that Rampini posed to the audience at Columbia Law School on February 16, when discussing the contradictions and perils in the EU's method of dealing with the crisis.

The history and mission of the <u>European Union</u> [2] might not be a comfortable subject for the average American, and understanding the current hurdles the EU is facing is complicated even for those who are in-the-know about overseas political matters.

Born in the aftermath of World World II as an economical and political platform to help secure peace and ensure growth in the continent, the European Union grew from 6 founding members to 27, homogenizing the markets and deeply reshaping the structure of power on the national level, although it never completely transitioned to a fully federal institution, which would imply greater sovereignty cessions from the national level to the legislative bodies of the EU.

Institutions such as the European Parliament are still not powerful enough when compared to the Union's centers of economic power, and technical matters seem to be preponderant over representativeness related issues. In other words, as of now the EU seems to be more of a supernational technocracy than an actual higher-level democracy in the continent, and the current internal divisions between virtuous states (Germany) and ailed ones (Greece) confirm this.

Italian journalist Federico Rampini, New York bureau chief of <u>La Repubblica</u> [3], discussed the topic in a public lecture at Columbia Law School on February 16.

"Is Democracy On The Retreat?" is the question that Rampini posed to his audience on the occasion, elaborating on the stringent call on all the member states to austerity measures by technocratic institutions such as the European Central Bank and the European Commission, but especially by Germany, a nation whose cradle-to-the-grave social system is significant and strong, therefore expensive.

Why is Germany asking its EU partners to be less and less like Germany?

In Rampini's opinion it is because the German tax payers "feel like others are cheating." In fact, under Schroeder's guidance, they had to sacrifice by trimming inefficiencies and have a leaner welfare state, encouraging a better cooperation between government, unions and businesses. State capitalism with a high role for governments is not as successful in the Mediterranean countries, where bureaucracies are huge, the social capital is low and tax fraud is extremely common: "Blue collar workers in Germany don't think it's fair to spend money on lazy Greeks. The trust among member states is weakened," Rampini says.

The way to reestablish mutual trust in the Union, and especially in the Eurozone, seems to be the one of enforcing a system of financial firewalls. The so called European Financial Stability Facility is a 500 billion euro permanent rescue funding program "perceived as a weapon to insulate big countries from Greece," Rampini comments.

The solution proposed to rescue the Union from the crisis is once again an economic maneuver instead of a reshaped political agenda, but since "taxation without representation just doesn't work," the now euro-skeptical Germans are fine with delegating to a super-national technocracy, saving money and trying to isolate the Mediterranean debt contagion.

The European institutional framework, Rampini explains, presented a lot of "unfinished business" before the crisis began. The missed chance of creating a federalist union is the reason why unaccountable technocratic institutions such as the ECB are now in charge of dealing with parliaments and dictating the conditions of their European membership.

According to the Italian journalist: "The problem with Greece is Germany, who is dealing with it as if it were the European Parliament. The European Parliament should be empowered prior to fiscal integration, that will lead to a real fiscal solidarity and to a new fiscal compact."

Too concerned with sanitizing its markets and tallying each members' requested efforts for the salvage of the common boat, Europe is missing out on its role as a global player: "The Arab Spring needs a univocal voice from the EU," Rampini argues.

Seen under this light, the newly ameliorated Italian situation seems paradoxical. The antidote of technocracy, represented by Mario Monti's government, was inoculated at the national level for quicker and more effective results. The technocratic executive tidying up Italy's public finances suits the Union's needs for a politically-hygienic situation, ensuring the enforcement of austerity measures that would be hard to apply for any democratically elected government.

"The Italian situation is paradoxical as a technocratic government represents a stretch of democracy, although it has parliamentary legitimacy, it has a precise time lapse and a specific mission, and it has been dictated by an extraordinary situation just as it happened in Greece. It might convert into a political government, as there are rumors about Monti running as a candidate in the next elections, but it surely represents an anomalous, unhealthy situation as of now," Rampini tells i-Italy.

Technocracy, the journalist adds, "is a shortcut to hide for a moment the nature of certain problems, such as the social distribution of sacrifices. Those were necessary in Italy, as they have been in France and Germany and are in Greece, but the solutions adopted by a technocratic government seem inevitable, as if its decisions were socially neutral. Deciding which social group should bear the weight of the austerity measures more than others is an exquisitely political matter, which should not be delegated to a technocrat, not even the most honest and competent."

Rampini tells i-Italy he is impatient to finally see the Italian democracy working again. "I believe that there is an ongoing debate between left-wing forces and right-wing forces, and that it will lead to a different balancing of the social weight of the sacrifices that are needed in the future."

After following Mario Monti during his recent visit to the United States, Rampini has witnessed the American acknowledgement of Monti's new role in Europe. "Obama has surely seen the rise of the Monti government as a step forward against the risk of an Italian default, which would have terrible repercussions on the American economy and on the global markets. Italy's reputation on the market has drastically changed over the last two months, many investors are now willing to purchase Italian Government Bonds without expecting the same skyrocketing returns they were requesting before."

But Obama is also cognizant of the recession risks that the European technocrats are exposing the Union to: "He is criticizing the EU policies from a left-wing point of view. For months he's been suggesting, and I believe the figures are proving him right, that austerity policies can't solve the job market's crisis and fix public finances if GDPs keep plunging. It is a well-grounded criticism to the policies inspired by Angela Merkel and adopted by technocratic institutions such as the European Central Bank, the International Monetary Fund and the European Commission. These policies seem socially neutral, but they are not."

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