

# The EU after Lisbon 2000

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# EU: a decade of introspection, uncertainty and relative stagnation.

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- EU Constitution; Lisbon Treaty.
- Faltering leadership. Less powerful Franco-German leadership; more heterogeneous EU27; weaker Commission.
- Lisbon 2000 Agenda: poor overall progress.

# Step back: lessons of history

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- European integration has advanced on a dual logic – of combining economic rationality (self-interest of business, workers) with a political vehicle for their realisation (EU institutions), creating transaction cost savings for desired goals. This was Monnet method & it was evident up until Maastricht.
- Strategy has also had to combine different narratives on EU – market access; reconciling neighbours; democratic transition. EU progress has depended on weaving these into a broad coalition of support around a 'big new idea'.

# Is there life in 'Lisbon'?

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- An agenda beyond reach of 'hard law'. New 'Open Method of Coordination'. Set policy targets for 2010.
- CER Report 2010: progress 'underwhelming'. Gap between best & worst performers may be wider in 2010 than in 2000. Little leverage.
- Correlation: states suffering greatest loss of confidence in financial markets are also furthest from Lisbon targets. [Greece 24<sup>th</sup> in EU27] Rigid, uncompetitive economies & only adjustment mechanism is wage costs, with social threats.
- Uncertain purpose: ideological differences (neoliberalism?), differences of domestic context. Good/bad Europeans? Impacts: less tangible; ideational.
- So, can EU engineer domestic structural reforms with its current instruments? What kind of EU2020 Agenda? Is this main focus?

## 2 other paths for EU?

- On new agendas, EU has limited competence, role: e.g. Climate Change – Copenhagen squeeze; EU & green energy supply.
  - Yet, strong public support for EU to do more on environment & energy. Is this an area for new 'soft law' & incentives?
- 2010 & Greek Crisis:
  - Return to 'gouvernement economique' type agenda lost in Maastricht negotiations: Giscard; Mitterrand; Sarkozy.
  - New 'EMF'? Schauble (bail out, but with fiscal conditions; expulsion threat); Merkel against if it needs new treaty; PES Rasmussen 'trustee fund' with no treaty change; Commission examining an 'EMF'.
  - Tackle 'moral hazard' issues of €-zone; coordinate recovery; show relevance.

# Post-Lisbon: 3 strategic questions

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- Expanding the agenda. How, when can 'soft law' be effective? Strategy is on trial.
  - European Employment Strategy
  - Linkages to EU funding: incentives to adapt.
- Confidence in return to Monnet method and hard law? Can there be progress without Treaty revision? Is € reform the focus?
  - Show relevance of EU as the means to economic goals.  
Normative underpinning: is it 'solidarity' or policing/ audit?
- How, where to find EU leadership? EU27.
  - Provide political will to new structural capability.