The Eurozone crisis has deeply eroded the EU's accountability structures

The Greek referendum highlighted an accountability conundrum: if a Grexit would have significant consequences for the future of the Eurozone, who should be consulted? **Mark Dawson** *writes that this dilemma points at a wider problem within the EU's accountability structures, which are riddled with paradoxes. He argues that, at least in the economic field, no legitimate structure for ensuring accountability currently exists.*

Greece's confrontation with the Eurozone seems to follow a familiar pattern. We start with a realisation, often confirmed by leaked IMF reports, that the latest round of financial assistance is not working. First the blame game: for creditor countries and their commentariat supporters, it is because reforms have not been properly implemented; for the Greek government, it is precisely austerity that is strangling economic recovery at birth.

Next comes the impending doom: a deadline for an ECB or IMF re-payment awaits, with each side incentivised to over-sell its hand. The creditors brashly insist that they could better cope with Grexit than with a Greece addicted to debt; the Greek government meanwhile talks up the cataclysmic impact of default. Finally, like two cars set on a collision course, both veering way at the last moment, an agreement is reached. Then, of course, the whole cycle starts again: will the agreement be implemented, and if so, at what cost?

The key accountability question is if and whether this picture can be changed. Accountability in its most basic form implies contestation. In an advanced democracy, citizens are no mere passive recipients of rule: they must have the chance to question the policies imposed in their name; and to receive answers from those who rule.

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One of the most troubling aspects of the Greek crisis is the way it up-ends this basic democratic expectation. One could of course be cynical about Alex Tsipras' decision to offer Greeks a referendum on the terms demanded by Greece's creditors at the beginning of July. It could also be seen, however, as an attempt to break this cycle. Greeks were finally being asked a question they had never been asked: has the pain of economic adjustment been worth the prize of euro membership?

In reality of course, the question is much more difficult from an accountability perspective. Accountability is relational. In this accountability game, who is accountable to whom? Critics of the referendum could easily pose the question: if the Greek government is right that Grexit would have significant consequences for the future of the Eurozone, why should only Greeks be consulted?

The framing of Greece's negotiations as a battle between creditors and debtors seems to pit accountability in a zero-sum game. Greeks can contest their political futures; but in doing so, come up against the equal mandates of 17 other

Eurozone governments, all of whom have been provided with a democratic mandate to limit debt relief. The consequence of course has been frustration. For Greeks, their referendum result was famously used against them: as a reason for creditors to impose an even tougher package than the referendum's own terms rejected.

In my view, this latest episode of the Greek crisis should be seen in the context of a wider erosion in the EU's accountability structure since the onset of the Eurozone crisis. Much of this erosion has to do with the mixed nature of EU economic governance. Traditionally, EU accountability has varied depending on the level at which EU authority has been exercised. To put things bluntly, where authority is exercised through the classical 'Community method', accountability is primarily to bodies like the European Parliament and the EU Courts. Where authority is exercised inter-governmentally, such as in the Common Foreign and Security Policy (CFSP), EU-level review is often limited, but is provided through national parliamentary scrutiny and judicial review.

EU economic governance often combines and conflates these different levels. Debt financing is an important example. Authority is being managed at an EU level, with EU institutions, such as the ECB, playing a key role. At the same time, decision-making remains national: it is for national governments in the governing council of the European Stability Mechanism (ESM) to agree on financing, and for national Parliaments to ratify any terms thereby attached. EU and national authority are inter-twined. This often leads to a situation where accountability is available at neither level of governance. As the EU Courts for example have made clear, decision-making under the ESM should be seen as outside the competences of the Court of Justice. The European Parliament has likewise been excluded from making key decisions in the economic field, including financial assistance

The European Parliament has likewise been excluded from making key decisions in the economic field, including financial assistance. The difficulty is that national scrutiny may be similarly excluded. Some national Constitutional Courts, notably Portugal's, have rejected national budgets implementing EU Memorandums of Understanding on the grounds that they violate social rights protected in the Constitution, only for governments to re-pass similar budgets in later years. National Courts face a grim choice: they must either go along with austerity measures, or hold the national government responsible for them (in the knowledge that the government itself is bound by EU-level authority, i.e. the state's financial assistance programme). In such a landscape, it is unclear where an individual seeking judicial review can turn.

A similar problem exists at a political level. Absent an EU-level political body able to mandate EU-wide economic policies, political accountability in the Eurozone is likely to be a version of the Greek story discussed above writ large. National governments will pursue national political mandates, with national Parliaments involved to varying degrees. The level of accountability an individual citizen carries, however, is likely to depend on the bargaining position and/or political isolation of their government.

The German and Finish parliaments, replete with allies and carrying strong constitutional mandates, carry the capacity to halt EU-level negotiations. The parliaments of debtor states meanwhile face an impotent future. Their ability to contest the economic and political choices available to them are likely to rest more on elections in other states (i.e. in this case, the unlikely creation of a pan-European anti-austerity majority in the Council) than votes cast in their own national elections.

The current construction of the Eurozone has often been cast as an economic fork in the road: Europeans must choose a closer economic and political Union or a return to national currencies, with few sustainable alternatives. The Greek crisis demonstrates how a similar fracture may be appearing in the EU's structure of legal and political accountability. As the Greek case shows us, no such legitimate structure – at least in the economic field – presently exists.

For a longer discussion of this topic, see the author's recent article in the Journal of Common Market Studies

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