

**Public Involvement and the Formation of Public Policy:
The Case of European Monetary Union**

Jennifer Frost

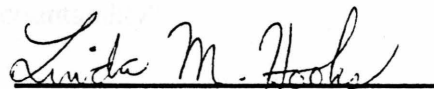
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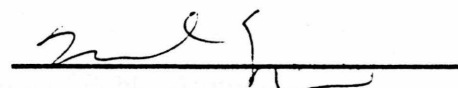
**An Honors Thesis submitted to fulfill the requirements for honors in Public
Policy**



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TABLE OF CONTENTS

1. Introduction	1
SECTION I: DEMOCRATIC DELIBERATION AND EMU	2
2. Guttman and Thompson's Democratic Deliberation Theory	2
3. The Heidepriem Case	7
SECTION II: THE HISTORY BEHIND EUROPEAN MONETARY UNION	10
4. Early EMU History: Little Focus on Publicity and Accountability	10
5. Attempts at Publicity and Accountability Increase	17
6. The EU Learns the Hard Way that Publicity and Accountability Matter: Attempts to Increase These Principles Were Not Enough	20
SECTION III: THE CRUCIAL ROLE OF INSTITUTIONAL DESIGN	28
7. The Organizational Structure of the EU	30
8. How Does the EU Score in Terms of Publicity?	34
9. How Does the EU Score in Terms of Legitimacy?	36
10. How Does the EU Score in Terms of Accountability?	37
11. EU Opinion Polls	40
SECTION IV: THE RELATIONSHIP BETWEEN PUBLIC OPINION AND ADHERENCE TO GUTTMAN AND THOMPSON'S DELIBERATIVE PRINCIPLES	42
12. EMU Opinion Polls	43
13. National Elections: An Alternative Measure of Public Attitudes	49
14. How Informed are Citizens About EMU?	54

15. Increased Publicity: Attempts to Educate the Public on EMU

55

16. Conclusion

59

INTRODUCTION

European Monetary Union (EMU) represents a complex and technical issue which has been surrounded by controversy since its beginnings. Thus, disagreement on this issue has been widespread. This study examines the disagreement between policy-makers and the public to determine whether or not it was dealt with in a just and democratic manner, consistent with the principles of Gutmann and Thompson's democratic deliberation theory.

Section I, Democratic Deliberation and EMU, outlines Gutmann and Thompson's deliberation theory and introduces some of the difficulties the EMU debate has encountered trying to fulfill Gutmann and Thompson's deliberative principles. Section II, The History Behind European Monetary Union, guides us through EMU's history and illustrates the importance of adhering to Gutmann and Thompson's deliberative theory. Section III, The Crucial Role of Institutional Design, reveals that Gutmann and Thompson's theory cannot be fully examined without investigating institutional design. Investigating institutional design is a crucial omission from Gutmann and Thompson's theory and the EMU case demonstrates its importance. Section IV, The Relationship Between Public Opinion and Adherence to Gutmann and Thompson's Deliberative Principles, analyzes public opinion by studying opinion polls and national elections, to see what it can tell us about Gutmann and Thompson's theory.

My study concludes with the assertion that through increased dedication to Gutmann and Thompson's principles of publicity and accountability, EMU has earned its legitimacy. However, this study shows that the road to legitimacy was neither a short nor easy path. Instead, EMU has proven to be a long and difficult process in which progress occurred through learning from mistakes.

SECTION I

Democratic Deliberation and EMU

Controversial from the beginning, the idea of a common European currency has engendered numerous conflicting opinions. Thus, debate on this issue has been plagued with disagreement (especially disagreement between policy-makers and the public). This disagreement was not quickly reconciled. Even once the Maastricht Treaty (the treaty which outlines the details of European monetary union and the requirements to join) was ratified by all fifteen European Union nations in 1993, the majority of Europeans still remained opposed to a single, common currency for Europe. Disagreement on policy matters should not alarm us; it represents the most fundamental and permanent condition of a political society. Indeed, John Rawls reminds us that disagreement is “a conflict within the tradition of democratic thought itself.”¹ Democratic theory assumes some disagreement. Therefore, what should concern us about the European monetary union (EMU) debate is not that disagreement was prevalent, but whether or not disagreement was dealt with in a just and democratic manner; that is, in a manner consistent with a set of principles considered necessary for a healthy and effective policy.

Gutmann and Thompson’s Democratic Deliberation Theory

Amy Gutmann and Dennis Thompson’s deliberation theory provides a framework to determine whether or not disagreement within the EMU debate was dealt with properly.² Recognizing that disagreement is a timeless and healthy characteristic of democracies, Gutmann and Thompson do not seek to quell disagreement but rather, to

¹ John Rawls, *Political Liberalism* (New York: Columbia University Press, 1993) 4.

² Amy Gutmann and Dennis Thompson, *Democracy and Disagreement* (Cambridge: The Belknap Press of Harvard University, 1996).

deal with disagreement in a just and democratic manner. In order to accomplish this they propose a theory of democracy that gives prominence to deliberation.

Democratic deliberation occurs when people with different values and opinions come together to discuss their differences. The significance of deliberation is that by talking through issues, people learn about options that they did not know of before. The goal of deliberative democracy is not deliberation itself, but what deliberation provides. Gutmann and Thompson assert the importance of deliberation is that even the most modest public involvement has positive effects/outcomes. They stress that deliberation has the power to modify, and even change, people's preferences. Through deliberation's 'give-and-take' process, "citizens and their accountable representatives can learn from one another, come to recognize their individual and collective mistakes, and develop new views and policies that are more widely justifiable."³

Perhaps deliberation's greatest benefit is that in democratic decision making, the more deliberation citizens exercise, the more confident they will be of the democratic decisions made and thus the greater legitimacy the decisions will enjoy. While Gutmann and Thompson are adamant about the necessity of deliberation in a democratic society, they agree that there must be ground rules. They do not think that full public involvement is desirable or useful in every policy area. Therefore, they support *monitored* public involvement guided by the deliberative principles of reciprocity, publicity, and accountability.

Based on the principle of mutual respect, reciprocity requires that "citizens try to offer reasons that other similarly motivated citizens can accept even though they recognize that they share only some of one another's values."⁴ Reciprocity "asks us to appeal to reasons that are shared or could come to be shared by our fellow citizens."⁵ The primary

³ Gutmann and Thompson, 43.

⁴ Gutmann and Thompson, 14.

⁵ Gutmann and Thompson, 14.

function of reciprocity is “to regulate public reason, the terms in which citizens justify to one another their claims regarding all other goods.”⁶ Reciprocity’s greatest benefit is that it allows citizens not only to recognize each other as abstract objects of others’ moral reasoning, but to respect one another as moral agents. Furthermore, the principle of reciprocity:

supports a political process that promotes [learning]. Citizens put their [beliefs] to the test of public deliberation, and strengthen their convictions or change their minds in response to the arguments presented in a politics governed by reciprocity. The aim of such a process is not necessarily to induce citizens to change their [beliefs]. It is rather to encourage them to discover what aspects of those beliefs could be accepted as principles and policies by other citizens with whom they fundamentally disagree.⁷

While reciprocity represents a fundamental principle of deliberation, the principles of most interest to me are publicity and accountability. Although it plays an important role in the EMU debate, I leave the examination of reciprocity to a further study.

The principle of publicity is crucial because it requires claims to be made available for public scrutiny. It demands that officials and citizens give reasons to justify their political actions. Publicity is valuable first and foremost because it “motivates public officials to do their duty.”⁸ Furthermore, it “encourages citizens to deliberate about public policy and enables officials to learn about and from public opinion.”⁹ Gutmann and Thompson outline three main reasons why publicity is necessary:

First, only public justifications can secure the consent of citizens whether it be tacit or explicit... Second, making reasons public

⁶ Gutmann and Thompson, 55.

⁷ Gutmann and Thompson, 93.

⁸ Gutmann and Thompson, 97.

⁹ Gutmann and Thompson, 97.

contributes to the broadening of moral and political perspectives that deliberation is supposed to encourage... Third, reasons must be public to fulfill the potential for mutual respect that deliberation seeks by clarifying the nature of moral disagreement.¹⁰

In short, the principle of publicity demands that public policies must be “justifiable to the citizens who are bound by them.”¹¹

Gutmann and Thompson remark that to oppose publicity, “one must assume that citizens are less competent than officials and also that officials are more trustworthy than citizens.” These assumptions are both dubious. To write off the competence of citizens and put complete trust in officials is not consistent with the principles of democracy. While many citizens may be less politically competent than some officials, Gutmann and Thompson argue “it is the competence of politically active citizens that is relevant” because politically active citizens are as capable as officials of making decisions, and “if they are less informed, it is the fault of the officials who conceal critical information.”¹²

Alas, Gutmann and Thompson acknowledge that the principle of publicity is neither easy to sustain in theory nor practice. Sometimes, even deliberation itself is not “enhanced by complete openness.”¹³ In the United States, one of the most open governments in the world, secrecy still persists. Furthermore, some secrecy may be necessary at certain times. Often, “in settings insulated from the glare of publicity, deliberators may be more likely to change their mind in response to compelling arguments.”¹⁴ James Madison reminds us that “no constitution would ever have been adopted by the convention if the debates had been public.”¹⁵ However, Gutmann and Thompson stress that if making a policy public would defeat its purpose, then it is

¹⁰ Gutmann and Thompson, 100-101.

¹¹ Gutmann and Thompson, 99.

¹² Gutmann and Thompson, 97.

¹³ Gutmann and Thompson, 101.

¹⁴ Gutmann and Thompson, 101.

¹⁵ Gutmann and Thompson, 114.

unjustifiably secret. Therefore, “publicity remains the rule, but some exceptions are justified on grounds of necessity.”¹⁶

The final principle of accountability “makes democracy more justifiable to those who enjoy, and sometimes suffer, its consequences.”¹⁷ By stressing that “in a deliberative forum, each is accountable to all,” accountability demands reason giving.¹⁸ Reason giving not only forces decision-makers to deliberate with respect to citizens’ wishes, but also forces them to explain to citizens why and how they arrived at their decisions. “By giving reasons and responding to criticism, representatives try to persuade their constituents to take a broader view of the responsibilities of government.”¹⁹ Accountability forces policy-makers to ask and respond to Vice President Al Gore’s poignant question: “what will future generations say about what we have done to their world?”²⁰ Thus, through reason giving, accountability requires people to take responsibility for their actions. Clearly, true deliberation cannot occur unless all citizens abide by this principle; no one is exempt from accountability.

Gutmann and Thompson recognize that universal accountability is problematic in theory because political “representation poses two challengers to universal accountability, one concerning *who* gives the reason, and the other concerning to *whom* the reasons should be given.”²¹ These difficult decisions are unique to the society in which they occur and should therefore be made on an individual basis.

Gutmann and Thompson stress that deliberative democracy neither begins nor ends with comprehensive agreement. Instead, deliberative democracy’s greatest contribution is that it helps citizens “treat one another with mutual respect as they deal with the

¹⁶ Gutmann and Thompson, 102.

¹⁷ Gutmann and Thompson, 164.

¹⁸ Gutmann and Thompson, 128.

¹⁹ Gutmann and Thompson, 148.

²⁰ Gutmann and Thompson, 161-162.

²¹ Gutmann and Thompson, 128.

disagreement that invariably remains.”²² Thus, deliberation “encourages citizens to face up to their actual problems by listening to one another’s claims rather than [assuming] that their fellow citizens *would* agree with them on all matters of justice if they were all living in an ideal society.”²³

While seeking to involve the public in discussing potential policies, Gutmann and Thompson also recognize the Aristotelian notion that “ordinary citizens deciding together could reach a better decision than experts acting alone” is no longer entirely applicable to modern society.²⁴ They explain that Aristotelian democracy “did not imagine a town meeting on the scale that would be necessary to govern a major American city by direct democracy” let alone a European Union made up of 15 different nations.²⁵ Thus, complete public involvement is unfeasible.

The Heidepriem Case

Gutmann and Thompson suggest there may be instances when it is acceptable for policy-makers to act against public opinion. For example, policies which are highly technical and complicated might better be decided by policy-makers and technocrats rather than the public. This theory is unveiled in Gutmann and Thompson’s analysis of South Dakota Senator Heidepriem’s decision on a bill to ban abortions. Although the majority of his constituents supported the bill to ban abortions, Heidepriem personally opposed the bill and voted against it. Gutmann and Thompson do not criticize Heidepriem for voting against his constituents because he was more informed on the issue and therefore better qualified to make a decision. “Unlike his constituents, Heidepriem had studied constitutional law and chaired the Senate’s Judiciary Committee. He had good reason to

²² Gutmann and Thompson, 9.

²³ Gutmann and Thompson, 17.

²⁴ Gutmann and Thompson, 131.

²⁵ Gutmann and Thompson, 131.

think that the bill to ban abortions in South Dakota was unconstitutional and that mounting a test case would be a waste of the state's resources."²⁶ Furthermore, Gutmann and Thompson assert that "if South Dakota Senator Heidepriem reasonably believed that a bill restricting abortion would violate the basic liberty of women, he was not obligated to accept the reasons of his pro-life constituents, even if they reasonably believed that their opposing view was at least as compelling."²⁷

Yet, even in cases such as this, where policy-makers and technocrats may know best, Gutmann and Thompson still assert the importance of deliberation's accountability principle. This means that at the least, policy-makers should explain the reasons for their decisions to the public. Without carefully explaining the reasons for their decisions and then listening to their constituents reasons, "representatives are likely to assume that they know better than their constituents, even when they cannot respond adequately to their arguments."²⁸ Gutmann and Thompson fault Heidepriem for "relying too heavily on legal arguments" and not explaining the issues involved in terms understandable to his constituents. "Even if legally correct, these arguments did not definitively determine what state legislators should do, and to the extent that Heidepriem implied that they settled the issue, he gave the moral arguments that are central to his constituents' concerns too little weight in the debate."²⁹ Gutmann and Thompson argue that "at the least he should [have tried] to convince them of his position."³⁰ Thus, the Heidepriem case illustrates that it is not wrong for policy-makers to fail to defer to their constituents; however, it is quite wrong for them not to be accountable, and therefore to not justify their actions in terms understandable to the public.

²⁶ Gutmann and Thompson, 138.

²⁷ Gutmann and Thompson, 351.

²⁸ Gutmann and Thompson, 138.

²⁹ Gutmann and Thompson, 139.

³⁰ Gutmann and Thompson, 129-130.

Using Gutmann and Thompson's deliberative democracy as a framework, I will analyze the decision making process that led to the development of a single European currency. My study is an examination of democratic deliberation in a particular case, one in which the stakes are high and the issues internally complex. In a case with these characteristics, why is it important yet so difficult to fulfill the imperatives of democratic deliberation? What does the European monetary union debate tell us about the promise and the limitations of democratic deliberation? Most importantly, my research will reveal whether or not the European Union and national leaders dealt with disagreement in a manner consistent with the criteria offered by Gutmann and Thompson. I argue that Gutmann and Thompson's deliberative criteria were fulfilled; however, I do so with some reservation because in the early stages of EMU, the principles of accountability and publicity failed to be met. However, these principles were eventually fulfilled and EMU earned its legitimacy.

SECTION II

The History Behind European Monetary Union

Analyzing European monetary union's history is crucial to my study because it reveals the evolution of EMU from a policy vaguely concerned with publicity and accountability to a policy overwhelmingly focused on these two important principles. While in the beginning little thought was given to publicity and accountability, as the EMU debate continued, policy-makers realized they could not carry this policy on their own. They realized they needed the public's support and achieved this through intensified dedication to publicity and accountability. EMU's history is further important because it illustrates that EMU is not an elite policy but rather a well thought out policy which was begun and facilitated by the leaders of the fifteen EU nations. It was the national leaders, elected by the people, and not some faceless technocrats who devoted themselves to the establishment of European monetary union. Thus, this section outlines the evolution of EMU and the factors which contributed to EMU being a legitimate policy.

Early EMU History: Little Focus on Publicity and Accountability

The creation and implementation of a single currency has "long been a holy grail for Europe."³¹ Eager to establish a European monetary union, early policy-makers did not focus on publicity and accountability due to the policy's highly controversial nature. Instead, they conducted meetings in secret and debated only amongst themselves. While Gutmann and Thompson stress the importance of publicity in democratic deliberation, they also recognize that sometimes deliberation is not "enhanced by complete openness" and secrecy may sometimes be necessary.³² As with the United States Constitution, Gutmann

³¹ Charles Wyplosz, "EMU: Why and How It Might Happen," *Journal of Economic Perspectives* 11.4 (Fall 1997): 3-22.

³² Gutmann and Thompson, 101.

and Thompson would allow the creation of EMU to be an exception to their publicity rule. While Gutmann and Thompson would not fault policy-makers for failing to adhere to the publicity requirement, they would fault them for failing to adhere to the accountability requirement. Even in a case such as this where secrecy is required and policy-makers and technocrats may know better than the public, policy-makers must still act accountably and should explain the reasons for their decisions to the public. Because policy-makers deliberated in secret and then ignored the accountability principle, they caused the public to consider EMU illegitimate and to be skeptical of the European Union as a whole.

European monetary union represents the most recent stage in an ongoing process of economic integration in Europe which began in 1950 with the implementation of the Schuman Plan, the initial attempt to pool Europe's coal and steel services. This idea was further expanded in 1952 with the establishment of the European Coal and Steel Community. This Community included France, Italy, Germany, Belgium, the Netherlands, and Luxembourg. In 1957, the Rome Treaty transformed the European Coal and Steel Community into the European Economic Community (EEC) with the same six member nations. Through phasing out internal trade barriers (over a 15 year period) and establishing both a common external tariff on manufactured goods and a common European agricultural policy, the EEC established a common market.³³

The actual launching of the European monetary union process dates back to December 1969 at the Hague European Summit. At this summit a time table for EMU was discussed and a plan for action was developed by Pierre Werner, the Prime Minister and Finance Minister of Luxembourg. Published in 1971, the Werner Report envisioned a three stage process through which economic and monetary union would convert the common market into a single currency. The key requirements included the permanent

³³ Ruth Pitchford and Adam Cox, eds., EMU Explained (London: Reuters Limited, 1997) 27-28.

fixing of exchange rates, a single monetary authority and monetary policy, unified capital markets, centralization of fiscal policy at Community level, strengthening and coordination of the Community's regional and structural policies, and closer cooperation between the social partners, industry unions, and government. In 1972 at the Paris Summit, the program was endorsed and 1980 was designated as the year by which the transitional stages must be completed. Alas, the Werner Plan did not succeed. Although its failure was blamed on the first oil price shock, it was most likely due to "the ambitious demands for centralisation of fiscal and structural policies, which few governments were ready to concede."³⁴

In 1977, attempts at monetary union re-emerged as European Commission President Roy Jenkins made an appeal to French President Giscard d'Estaing and German Chancellor Helmut Schmidt to launch a joint initiative for exchange rate stabilization. This joint venture eventually materialized into the European Monetary System. And, in 1986, the Single European Act committed EC governments "to early monetary union as a necessary step to complete the single market."³⁵

At the Hanover European Summit in 1988, a committee was established to produce a blueprint for EMU. This committee, chaired by Commission President Jacques Delors, sought to include numerous opinions so it petitioned EC central bank governors and many independent experts to join. The Delors Committee published a report in April 1989 which "provided a basis for formal negotiations as the Spaak Report had done for the Rome Treaty."³⁶ The Delors Report advocated a powerful and unanimous commitment to EMU, a federal-type European System of Central Banks, and a single currency. The report endorsed a three-stage approach, like the Werner Report, and

³⁴ Pitchford and Cox, 28-29.

³⁵ Pitchford and Cox, 29-30.

³⁶ Andrew Duff and John Pinder and Roy Pryce, eds., Maastricht and Beyond (London: Routledge, 1994) 42.

stressed that “a decision to enter on the first stage should be a decision to embark on the entire process.”³⁷ The Delors Report enjoyed great authority since the governors of all the national central banks sat on the committee.

At the Madrid Summit in June 1989, the Delors Committee’s proposal for a three stage approach was approved. Stage One was set to begin in July 1990 and an Intergovernmental Conference (IGC) on EMU would be established as soon as possible afterwards. The exact timing and duration of the three stages were left to politicians along with the decisions on issues the Delors Committee had been unable to resolve.

Although European leaders publicly endorsed and celebrated the Delors Report in June 1989, domestic opposition began to surface in the fall of 1989. Despite public opposition, policy-makers made no attempt to increase publicity or accountability. Instead, they simply pushed forward the development of EMU. EMU’s development was “spurred on by the general conviction of the need to strengthen the Community as rapidly as possible, especially in light of rapid German reunification.”³⁸ IGC preparations were pushed forward by several different bodies. First, the Council of Economic and Finance Ministers (the Ecofin Council) analyzed the major issues raised by the Delors Report. Second, the Committee of Bank Governors drafted proposals for the new European Central Bank system. And, the Commission began to draft a treaty. In late June 1990, the date of the IGC was set for mid December and by the summer recess the majority of the technical preparations were completed.

At a special summit set in Rome in October (which officially set the opening date for Stage 2 at January 1, 1994), Margaret Thatcher repeatedly spoke out against both Kohl and Mitterrand and even described the EMU project as “cloud cuckoo land.”³⁹ However, upon her return, when she repeated similar statements in the House of

³⁷ Duff, Pinder, and Pryce, 42.

³⁸ Duff, Pinder, and Pryce, 43.

³⁹ Duff, Pinder, and Pryce, 43-44.

Commons, "she precipitated the resignation of her deputy [Sir Geoffrey Howe], and the train of events which speedily led to her own resignation on November 22."⁴⁰ Thus, once the IGC on EMU was formally convened on December 15, 1990, "its most vocal and determined opponent had been forced to leave the field of battle."⁴¹ Although John Major's stance on EMU was initially unclear, the other leaders were unanimously determined to proceed, regardless of Britain's position.

The Intergovernmental Council on EMU began in December with a flying start. This was largely due to the draft treaty that had been prepared by the Commission. However, although "there was, apart from the British, a substantial consensus on the main features of EMU, many details still had to be settled, and behind their apparent technicality frequently lurked important political issues."⁴² One such issue was the formation of the Central Bank. Another issue concerned the duration and content of the second stage. While Delors (along with the French and Belgian governments) argued it must be as short as possible in order to reduce uncertainty, the Germans demanded that in order to avoid future difficulties, stringent conditions are necessary.

In September 1991, official-level meetings reconvened and discussion focused on the conditions to be fulfilled for transition to Stage 3 and the conditions of a possible "opt-out" provision for the British. The British now supported the German argument for strict entry conditions into Stage 3 in hopes that this "would delay or postpone indefinitely the transition to Stage 3 and hence the moment of decision for the UK."⁴³ However, countries like Belgium and Italy were against strict entry conditions which might exclude them from Stage 3, thereby relegating them to second degree status in the future European Union.

⁴⁰ Duff, Pinder, and Pryce, 43-44.

⁴¹ Duff, Pinder, and Pryce, 43-44.

⁴² Duff, Pinder, and Pryce, 43-44.

⁴³ Duff, Pinder, and Pryce, 46.

At an informal Ecofin meeting in Apeldoorn in late September 1991, a step forward in accountability occurred. The participants in the Ecofin meeting required that the new Treaty must be signed by all twelve members and that all members would take part in the decision to move to Stage 3, even those not immediately qualifying to make the move.

In October, a new phase of negotiations began when the President of the Commission presented a revised draft of the treaty and by December only four major outstanding issues remained to be settled at Maastricht. These included: the terms of an opt-out clause for Britain, certain aspects of the transition to Stage 3, and some institutional issues. Surprisingly, two of these issues were reconciled before Maastricht. It was finally agreed upon that on January 1, 1999 the 3rd stage would begin "with as many members as were then deemed to have satisfied the convergence criteria."⁴⁴ Agreement was also reached on special opt-out clauses for both Britain and Denmark. In return for Britain and Denmark's commitment that they would not block others from moving forward to Stage 3, they were neither obliged nor committed to enter the third stage of EMU "without a separate decision to do so by [their governments]."⁴⁵ Feeling confident that an agreement could be easily reached, the EMU dossier was placed first on the Maastricht agenda in hopes that it would provide an early success for the meeting.

In retrospect, many criticisms have surfaced about the way the Maastricht Treaty was negotiated. It is often argued that the negotiations were conducted in secret by bureaucrats in a manner that was "oblivious to the likely impact of the outcome on public opinion in the member countries."⁴⁶ While these criticisms are not wholly legitimate, there is no question that "the document which emerged from the negotiations is an inelegant, complex and messy affair which is quite unintelligible to anyone not well versed

⁴⁴ Duff, Pinder, and Pryce, 46-47.

⁴⁵ Duff, Pinder, and Pryce, 50-51.

⁴⁶ Duff, Pinder, and Pryce, 39.

in the history, institutions and policies of the Community.”⁴⁷ However, the governments and ministers who negotiated and signed the Treaty, not some group of nameless, faceless bureaucrats are responsible for this. Indeed, they should have focused on producing a text that could be readily understood by those in whose name they were acting, the people.

There are three main reasons for the unsatisfactory nature of the Maastricht Treaty negotiations. First, is the technical complexity of the issues. Second, is “the sprawling and heterogeneous nature of the political union agenda, which involved many additions and amendments to the community treaties in addition to the intergovernmental agreements.”⁴⁸ Third, and perhaps most importantly, is the lack of agreement on many basic issues. Unlike the consensus which had facilitated the 1992 program and the Single Act, there was no such consensus extended to EMU and political union. Thus, agreement was only possible “through a series of fudges and low-level compromises, accompanied by a rash of exceptions, opt-outs, and waivers.”⁴⁹

However, in most respects, the procedures employed during the Maastricht Treaty negotiations closely resembled those used in earlier major negotiations such as those leading to the Rome Treaties and the Single Act. As in all the above negotiations, the member governments were firmly in control from the beginning to the end. This is not to say the European Council, consisting of the heads of government and the President of the Commission, did not play a large role. The Council not only formally launched the EMU negotiations by convening the two IGCs on EMU but also set their agendas, monitored their progress, brokered the final agreements, and approved the signature of the resulting Maastricht Treaty.⁵⁰

⁴⁷ Duff, Pinder, and Pryce, 39.

⁴⁸ Duff, Pinder, and Pryce, 39.

⁴⁹ Duff, Pinder, and Pryce, 39.

⁵⁰ Duff, Pinder, and Pryce, 40.

Attempts at Publicity and Accountability Increase

Although EU and national policy-makers did not fulfill Gutmann and Thompson's publicity requirement in the early stage of EMU development (by meeting and deliberating in secret), during the Maastricht negotiations they made an increased and effective commitment to publicity and openness. Detailed accounts of their private negotiations were published throughout the twelve month negotiation period by the Brussels-based news agency *Agence Europe*. *Agence Europe* also reproduced the texts of main documents as they were considered. Furthermore, "journalists had no serious difficulty in following the course of the negotiations" and "regular reports on progress were made by the presidency to plenary sessions of the Parliament, whose members were also briefed by their national authorities."⁵¹ Also, national ministers consistently reported to their own parliaments after European Council and ministerial meetings. Thus, it appears that anyone who wished to be informed, could be informed because there was no lack of information.

Acting as "the voice of the people," the European Parliament made significant contributions to the debate on European monetary union. In an effort to increase accountability, Parliament held hearings "with representatives of all those involved in the European currency (consumers, social partners, national parliaments, central bank governors, etc.)."⁵² In addition to publishing numerous reports on its positions and demands concerning EMU, Parliament also established an Interinstitutional Committee which provided a forum for discussion between the Commission, Council, and Parliament. The Interinstitutional Committee represented a major advance on previous practice even though it sometimes proved frustrating to the parliamentary participants because its proceedings were mainly series of monologues rather than dialogues.⁵³

⁵¹ Duff, Pinder, and Pryce, 40-41.

⁵² European Union Page. <<http://europa.eu.int>>.

⁵³ Duff, Pinder, and Pryce, 41.

The European Parliament further increased accountability by involving national parliaments in Community level discussions pertaining to EMU. In fact, two new channels were created. "The first consisted of meetings which the Parliament organized with members of the committees of national parliaments specializing in Community affairs. More significantly, the Parliaments also promoted the creation of a new and larger forum—the Conference of Parliaments of the Community."⁵⁴ Attended by some 250 parliamentarians (two-thirds from national parliaments, one-third members of Parliament), it met in Rome in November 1990. This Conference "provided an additional and novel occasion for EC parliamentarians to make their views known, and resulted in a general endorsement of the European Parliament's own aims in the negotiations."⁵⁵ However, enthusiasm for regular meetings of this type quickly decreased as some national parliamentarians, especially from Britain, felt they had been forced into subscribing to the European Parliament's "well prepared views on the IGCs." Hearings of this type ceased and while not successful, they were a step in the right direction.⁵⁶

When all the Maastricht negotiations were complete, "everyone claimed victory."⁵⁷ Stressing the renewed commitment and detailed arrangements to EMU, the majority of Community leaders championed the Maastricht Treaty as a major advancement towards integration. Fundamentally, the Maastricht Treaty defines the "convergence criteria" countries must satisfy as preconditions for membership of the common currency. All countries who meet the convergence criteria are bound according to the terms of the Treaty to join a single currency by 1999 (except the UK and Denmark, which negotiated opt-outs). Furthermore, with the adoption of the Maastricht Treaty, the European Economic Community became the European Union or EU. This change of name is very

⁵⁴ Duff, Pinder, and Pryce, 41.

⁵⁵ Duff, Pincer, and Pryce, 41.

⁵⁶ Duff, Pinder, and Pryce, 41.

⁵⁷ Duff, Pinder, and Pryce, 51.

symbolic for the European Union involves both economic and political union. While the Treaty's economic component specifically involves the adoption of a single currency, "the political component has been left rather vague, hinting at an evolution towards joint defense and foreign affairs."⁵⁸ The Maastricht Treaty also recognizes the need for greater transparency and contains a "Declaration on the Right of Access to Information" which reads:

The Conference considers that transparency of the decision-making process strengthens the democratic nature of the institutions and the public's confidence in the administration. The Conference accordingly recommends that the Commission submit to the Council no later than 1993 a report on measures designed to improve public access to the information available to the institutions.⁵⁹

While this declaration was clearly a step in the right direction, it was neither specific nor strong enough.

In Maastricht in December 1991, after a year of intensive negotiation, the Treaty was endorsed by the European Council. Once initialed by the heads of government, the Treaty was given to *juriste-linguistes* charged with smoothing out technical irregularities. Instead of being instructed to produce a consolidated text of Maastricht and the Treaty of Rome, "Maastricht was left as a complicated jumble of titles, chapters, articles, protocols, and declarations classified in sequence by letters and numbers."⁶⁰ Therefore, the new Treaty is incomprehensible without reference to the old EC Treaties as amended most recently by the Single Act. Because the Council assumed an easy ratification of Maastricht, it did not ensure that the document was comprehensible to all. As time would reveal, the Community should not have taken the Treaty's ratification for granted.

⁵⁸ Wyplosz

⁵⁹ Svein S. Andersen and Kjell A. Eliassen, eds., *The European Union: How Democratic Is It?* (London: SAGE Publications, 1996) 152.

⁶⁰ Duff, Pinder, and Pryce, 53.

The Maastricht Treaty concludes by stating it shall be ratified by all member states “in accordance with their respective constitutional requirements.”⁶¹ January 1, 1993, or failing that, “on the first day of the month following the deposit by the last member state of its instrument of ratification with (following tradition since the Rome Treaties) the Italian government” was established as the entrance date.⁶²

After a long study of the Maastricht Treaty, Parliament voiced its approval on April 7, 1992. Lacking any formal powers of ratification itself, the European Parliament could only urge national parliaments to ratify the Treaty. In Parliament’s view, the EMU convergence criteria “were exclusively geared to stability and paid no regard to the need for responsible growth and a high level of employment and social protection.”⁶³

Parliament also highlighted the “increased democratic deficit created by the transfer of economic and monetary powers from national governments and parliaments to an EC Council left unaccountable.”⁶⁴ To rectify this situation, Parliament “called for a new Interinstitutional agreement to embrace decisions on economic policy guidelines, the penalties imposed on errant member states, safeguard measures against third countries, the transfer of resources between member states and the appointment of the Executive Board of the European Central Bank.”⁶⁵

The EU Learns the Hard Way that Publicity and Accountability Matter: Attempts to Increase These Principles Were Not Enough

While policy-makers took steps to increase publicity and accountability, they were not enough. Policy-makers made little effort to explain the reasons behind their decisions to the public and the majority of the public remained uninformed of the issues behind

⁶¹ Duff, Pinder, and Pryce, 53.

⁶² Duff, Pinder, and Pryce, 53.

⁶³ Duff, Pinder, and Pryce, 66.

⁶⁴ Duff, Pinder, and Pryce, 66.

⁶⁵ Duff, Pinder, and Pryce, 66.

EMU. This lack of accountability combined with the technical and controversial nature of the subject caused many unexpected obstacles in the national ratification process.

The UK and Denmark always represented the biggest challenge to Maastricht. First, politicians in both countries focused on the economic aspects of EC membership and downplayed the political consequences. Second, "both governments suffered from weak representative capability: the British because of the non-proportional 'winner-takes-all' electoral system, and the Danish because of the slender parliamentary majority of the coalition."⁶⁶ Third, both countries were led by Conservative prime ministers, John Major and Paul Schluter. These men did not possess strong European convictions. In fact, their campaigns in favor of the Treaty "were at best defensive and at worst downright apologetic" and in the Intergovernmental Conferences, both men had ultimately sought to "place a reserve on the central goal of the Treaty, EMU."⁶⁷ And, fourth, in both the UK and Denmark a significant amount of public opposition to European integration existed.

Denmark was the first nation to attempt ratification. Many thought it was unwise for this small, patriotic country to attempt to lead the way. Their fears were confirmed when in its June 2, 1992 referendum the Danish people voted "no" to Maastricht by 50.7 percent to 49.3 percent, a difference of 47,000 voters. Not only was the Treaty's future jeopardized, but because all mainstream Danish parties had campaigned for a "yes" vote, the credibility of the Danish political system was also at risk. And, on May 12th, less than a month before the referendum, the Danish Folketing had voted to approve the Treaty by 130 votes to 25. Clearly, a huge gulf had developed "between the ambitions of the politicians and the inhibitions of the people."⁶⁸

Confident the national ratifications of Maastricht would be quick and easy, Denmark's refusal "hit the Community like a seismic shock. Only the French rejection of

⁶⁶ Duff, Pinder, and Pryce, 54.

⁶⁷ Duff, Pinder, and Pryce, 54.

⁶⁸ Duff, Pinder, and Pryce, 54-55.

the European Defence Community project in 1954 and de Gaulle's veto of UK accession in 1963 were comparable."⁶⁹ An emergency Council meeting was called the day after the Danish referendum. Careful not to jump to conclusions, the European Council ruled out any re-negotiation of the Treaty. The foreign ministers reconfirmed their dedication to the national ratification schedule, and agreed that "the door should be left open for Denmark to participate in the Union."⁷⁰ While in public the Council ignored the dilemma that the Treaty could only come into force if it was ratified by all twelve signatories to it, behind closed doors, it was gravely concerned about the legal predicament the Danes had forced on the Community.⁷¹

At the Edinburgh European Council in December 1992, the Council made reviews and further explanations in attempt to save the Treaty. The link between democracy, publicity, and accountability was firmly re-established. "The objective was to reassure the citizens that decisions are being taken as closely as possible to them without sacrificing the advantages which they receive from common action at European level, and without destroying the delicate balance between the EC institutions."⁷²

Several member states had "complicated constitutional changes to steer through national procedures before their ratification of the Treaty could take effect."⁷³ These constitutional revisions stemmed from the establishment of European citizenship, the new security dimension of the union, and the extension of EC competencies to areas that affected the internal disposition of member states between national and provincial authorities.⁷⁴

⁶⁹ Duff, Pinder, and Pryce, 54.

⁷⁰ Duff, Pinder, and Pryce, 55.

⁷¹ Duff, Pinder, and Pryce, 55.

⁷² Duff, Pinder, and Pryce, 56.

⁷³ Duff, Pinder, and Pryce, 58.

⁷⁴ Duff, Pinder, and Pryce, 58.

Thus, due to many unforeseen factors, only nine of the twelve member states completed their national ratification procedures on time. The Irish had a relatively easy time with ratification, even though a constitutional revision was necessary. Because a referendum focused on Irish neutrality had stalled the ratification of the Single Act, politicians were better prepared this time around. An easily understandable campaign in favor of the Maastricht Treaty was very successful and won the support of the Irish people. On June 18th the Irish voted 69.95 per cent "yes" to 30.95 percent "no."⁷⁵

Luxembourg was the second to ratify the Treaty on July 2nd with a 51 to 6 positive vote in its Chamber of Deputies. "As one of the EC's original Six and the only member state currently to fulfill the EMU convergence criteria of Maastricht, it would have been inconceivable for Luxembourg to have acted otherwise."⁷⁶

Greece ratified the Treaty on July 31st by an even larger parliamentary vote of 286 to 8. "The usual partisan nature of Greek politics was suspended for the debate on Maastricht. Greece shares with Ireland an irresistible financial incentive to continue its membership of the EC, but supplements that by being much attracted to the new security dimension of a European Union that excludes Turkey."⁷⁷

President Mitterrand called for a national referendum on the Maastricht Treaty on September 20th. He hoped both to re-launch Europe after the Danish shock and to profit domestically. Indeed, a passionate French "yes" would have accomplished this. However, not all the French were enthused about Maastricht. In fact, "many French voters began to see the referendum as a vote of confidence in Mitterrand himself."⁷⁸ The opposition was skillfully led by Philippe Seguin, who became the President of the National Assembly after the following spring's parliamentary elections. Although the referendum results were

⁷⁵ Duff, Pinder, and Pryce, 58.

⁷⁶ Duff, Pinder, and Pryce, 58.

⁷⁷ Duff, Pinder, and Pryce, 58.

⁷⁸ Duff, Pinder, and Pryce, 59.

positive, it was a "petit oui" as only 51.05 per cent voted in favor and 48.95 per cent against. Clearly, this was not the result Mitterrand had anticipated which would re-launch the Treaty. Not only did the French referendum fail to lift pro-European spirits, but it also heavily contributed to the financial speculation that put "intolerable strains on the ERM."⁷⁹ While expressing "heartfelt relief at the *petit oui*," Delors added that "by voting 'no', many French citizens have expressed anxiety [and] it is our duty to respond both at national and at European level by consolidating the democratic process."⁸⁰

Italy was the next to ratify and did so much more smoothly than the French. There were large Maastricht majorities in both Houses of Parliament, with a final vote of 423 to 46 in the Chamber of Deputies on October 29th. "Facing a constitutional crisis of its own, Italy was in no mood to trifle with the Maastricht project. Indeed, the prospect of European integration offered a way forward for Italians, despite the undoubted difficulty Italy will experience in conforming to the convergence criteria of EMU."⁸¹

Belgium's ratification process was not nearly as smooth because it not only had to make it through the national parliament, but also through its three linguistic communities. Despite the difficult process, the Belgian Chamber of Deputies, "which has the closest working relationship with the EC institutions," approved the Treaty by 143 votes to 33 in July. Then, on November 4th, the Senate followed by passing the Treaty by 115 votes to 26 votes.⁸²

Spain "gave the greatest of all votes of confidence in the Treaty."⁸³ In October in the Chamber of Deputies, Maastricht passed overwhelmingly by 314 votes to 3. And, on November 25th in the Senate, the Treaty was approved by 222 votes to 0. Following

⁷⁹ Duff, Pinder, and Pryce, 59.

⁸⁰ Duff, Pinder, and Pryce, 59.

⁸¹ Duff, Pinder, and Pryce, 59.

⁸² Duff, Pinder, and Pryce, 60.

⁸³ Duff, Pinder, and Pryce, 60.

Spain's lead, the Portuguese Assembly of the Republic assented by 200 votes to 21 on December 11th.⁸⁴

Although Dutch ratification was never in doubt, the Dutch parliament took its time and there was much talk of a referendum. However, no referendum occurred and the Netherlands eventually ratified the Treaty. On November 12th it passed the Second Chamber by 137 votes to 13, and on December 15th it passed in the First.⁸⁵

Despite Chancellor Kohl's personal investment in Maastricht, in 1992 "Germany was more preoccupied by German than European unification."⁸⁶ The German Bundestag passed the Treaty on December 2, 1992 with 543 for and 17 against and the Bundersat endorsed the Treaty six days later with 68 in favor and none against. However, German ratification of the Treaty was impeded by a legal challenge brought before the Constitutional Court. Manfred Brunner, "a rouge Liberal," desired to prevent Germany from signing the Maastricht Treaty on the grounds that it "infringed German Basic Law, despite the fact that the constitution had been duly amended to take account of the new Treaty."⁸⁷ On October 12, 1993, the Court concurred that "the Maastricht Treaty provides adequate checks and balances" and thereby sided with the defendant on all counts.⁸⁸

The Danish made a second attempt at ratification in 1993 after the release of a European Council document which took into account Denmark's "National Compromise." The Council document acknowledged three of the National Compromise's main clauses: that Union citizenship does not "in any way take the place of national citizenship," that Denmark had "given notification that it will not participate in the third stage," and that Denmark will "not participate in the elaboration and the implementation of decisions and

⁸⁴ Duff, Pinder, and Pryce, 60.

⁸⁵ Duff, Pinder, and Pryce, 60.

⁸⁶ Duff, Pinder, and Pryce, 60.

⁸⁷ Duff, Pinder, and Pryce, 61.

⁸⁸ Duff, Pinder, and Pryce, 62.

actions of the Union which have defence implications.”⁸⁹ The European Council document concluded by recognizing that at any time Denmark may decide “it no longer wishes to avail itself of all or part of this decision,” and that this EC package would be up for agreement at the next IGC in 1996.⁹⁰ On May 18, 1993 a second Danish referendum was held and with an 86.2 per cent turnout out and a 56.8 per cent “yes” vote, the Maastricht Treaty was saved again.⁹¹

Though not as difficult as in Denmark, the British ratification process was no easy feat. The Conservatives suffered much damages as the “Europe question” caused many rifts within the party and as the government’s “lukewarm position” was exposed. Public support for a referendum grew; however, one was never held. The Treaty was not approved in the House of Lords until its third reading on June 20th. Maastricht fared better in the House of Commons where it was approved by 292 votes to 112, with no fewer than 246 members abstaining and with 14 conservatives voting against their leadership.⁹²

Finally, on November 1, 1993, eleven months late, the Maastricht Treaty had been ratified by all fifteen member nations. The controversies and problems of timely national ratifications of the Treaty served as a wake up call to the European Union. Policy-makers realized they should not have taken public approval of the Maastricht Treaty for granted. Furthermore, as demonstrated by Denmark’s initial failed referendum, they learned that the public could not be ignored and was indeed a force to be reckoned with. Recognizing this, the European Union made itself more accountable by increasing its openness and efforts to educate citizens on European monetary union. These efforts to increase

⁸⁹ Duff, Pinder, and Pryce, 63.

⁹⁰ Duff, Pinder, and Pryce, 63.

⁹¹ Duff, Pinder, and Pryce, 63.

⁹² Martin Feldstein, “Why Maastricht Will Fail,” *The National Interest* 32 (Summer 1993) 13.

accountability and publicity were clearly successful as Maastricht was eventually adopted by all member states.

The most important lesson drawn from EMU's history is that although the initial debates were held in secret with little regard for publicity and accountability, this changed over time and EMU is not an elite policy drafted by faceless EU technocrats. Instead, its history reveals that European monetary union is a well thought out policy, begun and facilitated by the leaders of EU member nations, which required secrecy in its early development. While technocrats were helpful in drafting certain aspects of EMU, it was the national leaders (elected by the people) who tirelessly devoted themselves to the establishment of a European monetary union. Through IGCs and ministerial and Parliamentary meetings, which sought to include numerous diverse opinions, EMU was deemed an important and necessary policy for Europe.

SECTION III

The Crucial Role of Institutional Design

While Gutmann and Thompson focus on the principles of reciprocity, publicity, and accountability, they also stress the importance of institutions in democratic deliberation. Therefore, one cannot fully investigate Gutmann and Thompson's theory without examining institutional design. Although Gutmann and Thompson recognize the importance of institutions in democratic deliberation, they conclude Democracy and Disagreement with the declaration that their theory of democracy fails to include much attention to institutional design. My research reveals that this omission by Gutmann and Thompson is problematic because the institutional design of the European Union is fundamental to the analysis of European monetary union. Illustrating that one cannot investigate a policy without examining institutional design, this section analyzes the European Union's organization and dispersion of power to see if it fulfills the deliberative principles of publicity and accountability. This analysis reveals that the European Union scores moderately well in terms of publicity and accountability and that the EU is not the secret, unapproachable, unaccountable institution many label it to be. While many Europeans remain distrustful of its organization and actions, much of their feelings are unfounded. For, while not perfect, the EU has increasingly focused on becoming more open and accountable. Only forty-nine years old, the European Union is a very young institution with a lot to learn and a long way to go. However, the EU has come a long way in its commitment to accountability and publicity.

The European Union (EU) has well surpassed its founders' dreams. Indeed, it is "one of the most successful experiments in international organisation ever created" and its preservation is vital to the continuation of European peace and stability.⁹³ The European

⁹³ Michael Newman, Democracy, Sovereignty and the European Union (New York: St.

Union has grown into the world's largest trading block with a combined GDP well above that of the United States.⁹⁴ Because the European Union was originally conceived as "a first step in the federation of Europe," it has always been concerned about the representation of its people.⁹⁵ This concern also stems from the European Union's ability to adopt binding legislation without necessarily requiring approval of all member states, a power not granted to traditional international organizations.

One of the EU's major challenges has been adhering to Gutmann and Thompson's accountability principle. The EU has experienced difficulty establishing "democratic institutions and procedures for supranational policy-making which take account of the roles of formal and informal actors, considerations, citizens and societal interests in the decision-making process."⁹⁶ Because many view the European Union as "a remote bureaucracy pursuing standardization and making the everyday life of its 380 million citizens fit the Procrustean bed designed in Brussels," the EU's challenge has been making authoritative decisions within a framework of effectiveness, sovereignty, and democracy.⁹⁷ This has proven difficult because one of the most distinctive characteristics of the EU is the technical issues and thereby the important role technocratic, non-political actors play. Thus, it is the *nature* of the policy issues with which the EU deals which lends "a greater role in decision-making to those with technical expertise," however, elected EU and national leaders are not discounted.⁹⁸

Martin's Press, 1996): 204.

⁹⁴ "Europe's mid-life crisis" *The Economist*. 31 May 1997: 3.

⁹⁵ Duff, Pinder, and Pryce, 207.

⁹⁶ Andersen and Eliassen, 1-2.

⁹⁷ Edward C. Page, *People Who Run Europe* (Oxford: Clarendon Press, 1997): 1.

⁹⁸ Page, 3.

The Organizational Structure of the EU

The European Union's supranational structure consists of the European Court of Justice, the Commission, the European Parliament, and the European Council (previously called the Council of Ministers). Leaving aside the judiciary, political authority in the European Union is dispersed among the Council, the Commission, and, to an increasing extent, the European Parliament. Some find this dispersion of power problematic because it creates a high degree of autonomy within EU governance without an obvious executive power. Figure 1 illustrates the role this dispersion of power plays in EU policy deliberation and implementation.

The Court of Justice is made up of fifteen judges and nine advocates-general who are appointed for six year terms based on agreement of the member nations. Through cases brought forth by the Commission, member states, private parties and national courts, the Court interprets the Treaties of Rome and other legislation and its judgments are binding to all member states.⁹⁹

The 20-member Commission is supported by 23 Directorates-General which plan and manage the normal daily activities. Commissioners serve five year terms and "act independently of their national governments and interest groups."¹⁰⁰ While France, Germany, Spain, Italy, and the UK each occupy two Commission seats, the remaining member nations are limited to one seat each. The appropriate size of the Commission continues to be debated. For now, the guidelines state that the Commission must include at least one, but not more than two members from every member nation.¹⁰¹

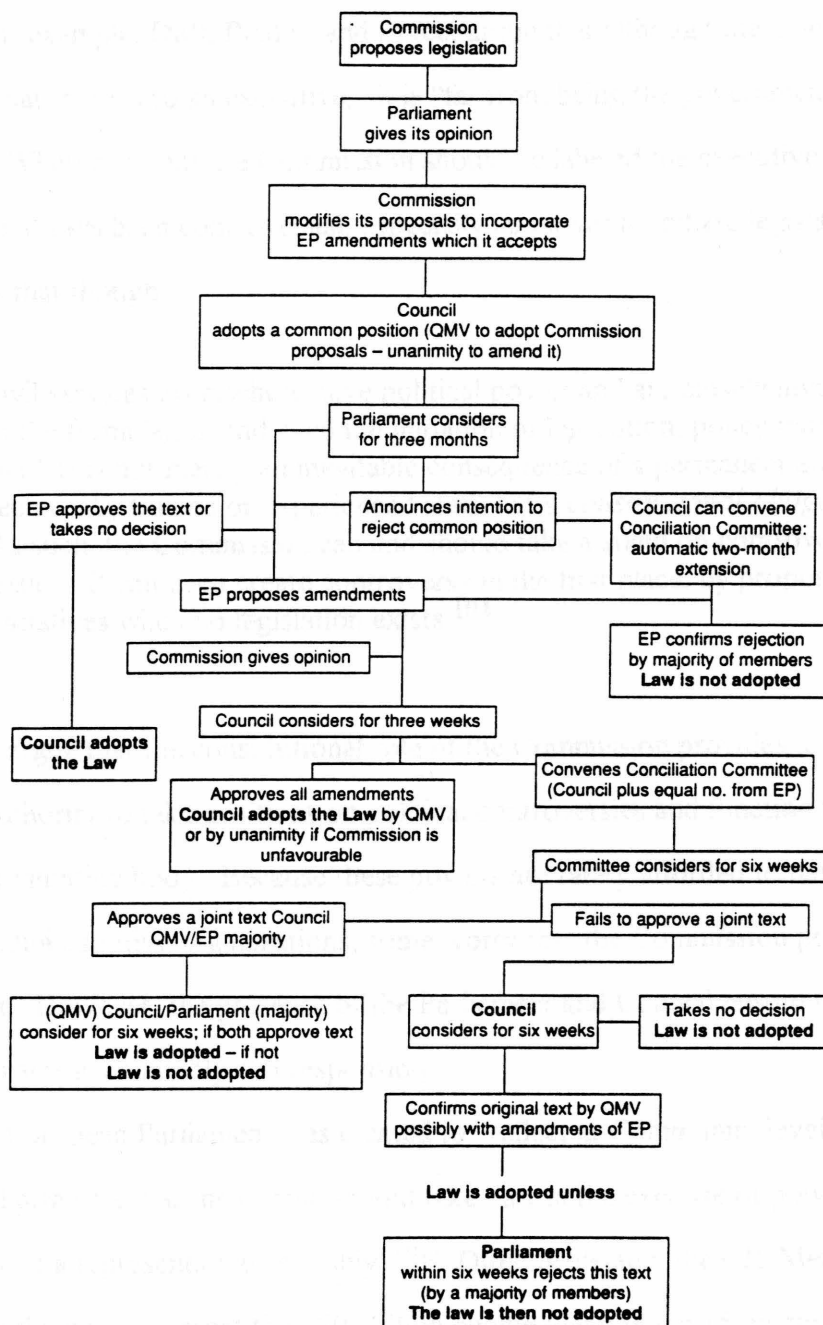
Primarily responsible for the formulation of policy initiatives, the Commission's tasks also include: ensuring that the founding treaties and their amendments are carried out, drafting the budget, exercising sole power to initiate legislation, directives and

⁹⁹ Rehman, 76.

¹⁰⁰ Rehman, 69.

¹⁰¹ Duff, Pinder, and Pryce, 181.

Figure 1: The European Union's Decision-Making Process



Source: Duff, Pinder, and Pryce, *Maastricht and Beyond*, 227.

regulations and to amend legislation at any stage, and implementing decisions reached by the Council.¹⁰² While often labeled the “executive body of the EU,” not all agree with this title. For example, Duff, Pinder, and Pryce, argue that although the Commission “is the nearest that there is to an executive,” it is “far from being the government of the Union.”¹⁰³ Whether or not the Commission should be labeled the executive body, its powers have always been controversial, especially its power to initiate legislation. Edward Page asserts that though

civil services everywhere have political power and are closely involved in the formulation and even the initiation of legislation, policy initiation in the EU is not merely an inevitable consequence of a permanent and technically trained or experienced staff, but a *constitutional obligation*. As such, the Commission can and should take a stand on controversial issues. It can even create controversy in the first place, by proposing initiatives when no legislation exists.¹⁰⁴

Thus, many argue that the constitutional role of the Commission provides it with the legitimate authority to take positions on political controversies and function as a truly independent initiating body. Because these powers are rarely afforded to nation states’ permanent administrative organizations, some worry that the Commission possesses too much power. However, the presence of the Parliament and Council ensure that the Commission acts accountably and responsibly.

The European Parliament was created to “reflect at Community level the fundamental principle that the people should take part in the exercise of power through the intermediary of a representative assembly.”¹⁰⁵ Directly elected, the 626 Members of the European Parliament represent the 380 million people living in the 15 member countries.

¹⁰² Rehman, 69.

¹⁰³ Duff, Pinder, and Pryce, 187.

¹⁰⁴ Page, 148.

¹⁰⁵ Duff, Pinder, and Pryce, 207.

Members work together in political associations based not on nationality, but ideology.¹⁰⁶ While national parliaments also play an important role in European affairs by keeping close tabs on their respective ministers who represent them in Council meetings, it is the European Parliament that represents the people directly.¹⁰⁷ The current Parliament President, Jose Maria GIL-ROBLES, proclaims that “like legislative chambers in all democratic countries, the European Parliament is an open institution, which constantly seeks to reflect the political will of the people of the Union, monitor the exercise of the executive power and ensure respect for the rights and interests of its citizens.”¹⁰⁸

The Parliament has supervisory responsibilities in that it approves the budget and the appointment of Commission members and the Commission President. Just as it appoints members of the Commission, Parliament conducted hearings of the prospective members of the European Central Bank Executive Board. Following two days of public hearings with the six candidates, Parliament approved the appointment of the first President and Members of the Board in May 1998.

On monetary matters, Parliament has the power to deliver an opinion. This allows Parliament’s voice, and thereby the voice of the people, to be heard and it enables the Parliament to influence institutional decisions in this area. Parliament also enjoys the role of co-legislator in the formation of monetary policy.¹⁰⁹

The Council of Ministers (renamed the Council of the European Union by the Maastricht Treaty) is generally considered the basic decision-making body. The European Council is comprised of the fifteen heads of states, the President of the European Commission, a member of the Commission and fifteen Foreign Ministers. The Council presidency rotates every six months and the different ministerial groups meet

¹⁰⁶ European Parliament Page. <<http://www.europarl.eu/int/>>.

¹⁰⁷ Duff, Pinder, and Pryce, 207.

¹⁰⁸ European Parliament Page.

¹⁰⁹ European Parliament Page.

approximately one hundred times each year. Considered the principal institution of the EU, the European Council has the responsibility of guiding the EU's activities, overseeing policy measures and approving the admission of new members. In addition to its decision-making responsibilities, the Council also coordinates policies among the member states in close cooperation with the Parliament. The Council also coordinates member state activities, defines common positions and implements measures to achieve the set objectives in matters of foreign and security policies.¹¹⁰ It also possesses special powers which are not given to un-elected bodies elsewhere. These include the power to call meetings of the key legislative body of the Union, the power to initiate legislation, and the power to reach decisions behind closed doors.¹¹¹

How Does the EU Score in Terms of Publicity?

In terms of publicity, the EU scored poorly in the beginning; however, its score has significantly increased recently. Often meeting behind closed doors and only making available to the public the text of its final decisions, the Council and its preparatory bodies have long been accused of lacking transparency. Until recently, the Council has resisted pressures to make its working methods more transparent, stressing that privacy during its negotiations is essential.¹¹² However, public concern with these opaque working methods peaked during the national ratifications of the Maastricht Treaty and this resulted in a number of measures being introduced in an effort to increase the public's confidence in the European Union.

For example, at the Lisbon European Council in June 1992, a document entitled "A Union Close to Citizens" was drafted. It stressed the need for a greater degree of transparency in the decision-making process; however, it did not specify how to achieve

¹¹⁰ Rehman, 75.

¹¹¹ Page, 2.

¹¹² Andersen and Eliassen, 151.

this. The following European Council held in Birmingham in October 1992, elaborated on the document by declaring that member states were “determined to respond to the concerns raised in the recent public debate.”¹¹³ Then, at the December 1992 Edinburgh European Council, remarkable achievements were made in both increasing democracy and openness:

the conclusions of the Edinburgh European Council outlined a number of measures designed to increase the transparency of openness of the decision-making process, which were reiterated and expanded in a Code of Conduct approved by the Council and Commission on December 6, 1993 concerning public access to their documents. It was announced that: subject to a unanimous vote, some meetings or parts of meetings of the Council would be held in public (i.e. television); the voting records of the Member States would be published, when a formal vote was taken in the Council; press briefings and information material would be improved; the Council Secretariat had been instructed to improve the drafting legislation, in order to make it simpler and clearer; [and] members of the public were to be allowed to make written applications for specific Council and Commission documents.¹¹⁴

The European Union’s Web Page, which was created “to help bring the European Union closer to the people and contribute to their understanding of [its] work,” represents another example of an EU action to increase publicity.¹¹⁵ In addition to providing information on the organization and responsibilities of the EU institutions, the Web Page also attempts to inform citizens on the euro and EMU. The web page offers numerous EMU publications links and an EU site (“Quest”) entirely dedicated to answering questions on the euro and European monetary union. Designed for citizens and published in the eleven official languages of the EU, “Quest” is very user friendly. Sent by citizens, national organizations and institutions across the EU, the questions in this database are

¹¹³ Andersen and Eliassen, 152.

¹¹⁴ Andersen and Eliassen, 152.

¹¹⁵ European Union Page.

answered by economists and monetary and finance specialists at the European Commission Directorate General II (Economic and Financial Affairs), journalists, and professional editors, in language that is easily understandable by the general public.¹¹⁶ Thus, the Council has taken significant steps to increase its publicity, especially by taking measures to increase its openness.

How Does the EU Score in Terms of Legitimacy?

In terms of legitimacy, the European Union scores very high. Its organization ensures that the Member States are represented at all levels, and the role of the smaller states have been arguably over-emphasized in attempt to prevent them from being completely dominated by the larger ones.¹¹⁷ Figure 2 illustrates that “small is powerful.”¹¹⁸

Figure 2: Small is Powerful

	% of EU population	Votes in Council of Ministers	Seats in EU Parliament	Number of EU commissioners
Germany	22.0	10	99	2
Britain	15.7	10	87	2
France	15.6	10	87	2
Italy	15.4	10	87	2
Spain	10.5	3	64	2
Netherlands	4.1	5	31	1
Greece	2.3	5	25	1
Belgium	2.7	5	25	1
Portugal	2.7	5	25	1
Sweden	2.4	4	22	1
Austria	2.2	4	21	1
Denmark	1.4	3	16	1
Finland	1.4	3	16	1
Ireland	1.0	3	15	1
Luxembourg	0.1	2	6	1
Total	100.0	87*	626	20

*52 votes needed for qualified majority

Source: “Driven to Distraction,” *The Economist* 31 May 1997.

¹¹⁶ [European Union Quest Page](http://europa.eu.int/euro/quest) <<http://europa.eu.int/euro/quest>>.

¹¹⁷ Andersen and Eliassen, 159.

¹¹⁸ “Driven to distraction” *The Economist* 31 May 1997: 12.

How Does the EU Score in Terms of Accountability?

In terms of accountability, the assessment of the European Union is less positive. While the EU has significantly increased its dedication to publicity and openness, it still falls short of Gutmann and Thompson's "reason giving" requirement. Although difficult to achieve with such a large populace, accountability is crucial to democratic deliberation.

The Council is generally perceived as an undemocratic, unaccountable institution, which "has only grudgingly been prepared to share its decision-making powers with the European Parliament." While efforts have been made to make the Council more accountable to the Parliament, they have fallen short of what citizens and Members of the European Parliament would like to see.¹¹⁹ Many criticize that the EU suffers from a "democratic deficit" because the European Parliament is the only EU institution directly elected and yet "members of the Parliament do not play a significant role in the decision making process."¹²⁰ Furthermore, many argue that the Council is neither accountable nor controlled.

Thus, what is needed is a strengthened Parliament and a more controlled Council. Yet, we must realize that the Council, the main decision-making body of the EU, lacks sufficient representation of other publicly elected representatives not due to a "Brussels bureaucracy bent on keeping power for itself, but rather the reluctance of political leaders within many member states to hand over power to democratically elected representatives in Europe."¹²¹ This problem is intensified by the fact that "most national MPs are astonishingly, disgracefully ignorant about what goes on in Brussels, or even how the EU functions."¹²² However, this ignorance is not attributable to a lack of publicity on the EU's part. The European Union scores well in terms of publicity; the information is out

¹¹⁹ Andersen and Eliassen, 160.

¹²⁰ Newman, 173.

¹²¹ Page, 1-2.

¹²² "Learning to Love the EU," *The Economist* 31 May 1997: 17.

there and it is up to individuals to obtain it.

While throughout Europe, "Brussels bureaucrats" make easy targets for almost every ill, a fundamental point is ignored: "most of what is done in Brussels requires the approval of national governments working through the Council."¹²³ However,

many of Europe's citizens seem unaware of this, and their national politicians are not hurrying to explain it to them. As a result, protests are often delivered to the wrong address. In recent weeks French fishermen have blockaded the port of Calais to show what they think of Europe's rules on net sizes, presumably unaware that their own government supported these rules.¹²⁴

Thus, although national parliaments generally have popular legitimacy, they have always been "curiously distant from the EU, even though European legislation is so central to national law-making."¹²⁵ Two immediate solutions include: developing a mechanism to link national parliaments more formally to the EU and changing the rhetoric of national governments. The latter solution deserves precedence. Too many national governmental officials "talk and behave as though events in Brussels were quite separate from them, rather than being their own creation" because they neither want to be held responsible for possible negative consequences nor do they want to be victims of "Brussels bashing."¹²⁶ For example, in the "run-up to the single currency, governments have been freely blaming Brussels for the austerity that is, in truth a direct consequence of their own past fiscal laxity."¹²⁷

It is also important to note that within the EU there are two distinctive limitations on the degree to which outsiders can be excluded and the degree to which permanent

¹²³ "Europe's Mid-life crisis," *The Economist* 31 May 1997: 3.

¹²⁴ "Europe's Mid-life crisis," 3.

¹²⁵ "Learning to Love the EU," 17.

¹²⁶ "Learning to Love the EU," 17.

¹²⁷ "Learning to Love the EU," 17.

officials can exert power through their professionalism. First, "EU officials do not have a monopoly or even a plausible claim to the monopoly of expertise on which such professional power may be based."¹²⁸ Second, and perhaps most important, a number of mechanisms serve to prevent the Commission's control over issues so that decisions cannot be dominated by the professionals within the EU hierarchy. First, there is the sheer size of the Commission. With twenty commissioners, who each have eight cabinet members, there are generally more officials within the cabinet than Directors within the Directorate General. Second, the formation of formal committees to analyze and scrutinize potential policies creates further possibilities for non-EU officials to participate.¹²⁹ Thus, outsiders play a consistent and important role in the EU decision making process.

It is often argued that EU officials are elitist and far from mainstream. Granted, like top officials in European nations, senior officials in the European Union are disproportionately male and middle class. However, "neither their demographic nor their educational backgrounds constitute characteristics of a distinctive social caste."¹³⁰ Furthermore, "there is no distinctive caste among top EU officials which corresponds to the way the Oxbridge officials dominated, and to a lesser degree still dominate, the upper reaches of the British civil service or that law graduates fill the majority of senior posts in the German civil service."¹³¹ Yet, EU officials do tend to differ from the public at large in one respect. While the European public remains unaware of its European identity, this does not hold true for Commission bureaucrats. Indeed, 70% of officials believe it is important to have a "sense of commitment to the European ideal" and "something of an

¹²⁸ Page, 151-153.

¹²⁹ Page, 151-153.

¹³⁰ Page, 86.

¹³¹ Page, 138.

Embryonic European culture does appear to be emerging within the Community institutions.”¹³²

EU Opinion Polls

Although the European Union succeeded in surpassing its founders’ dreams, as it enters middle age, “there is a palpable air of anxiety in Brussels and national capitals alike.”¹³³ Figure 3 illustrates that a majority of Europeans do not have a “generally favourable” opinion of the EU. Furthermore, this percentage has significantly decreased in recent years suggesting it might correspond to the introduction of European monetary union.

Figure 4 compares feelings toward the EU and feelings toward one’s own national government. It suggests that many people are equally disenchanted with their own political systems. Therefore, it is not the EU, persay, that people are against, but simply government in general.

Thus, Section III demonstrates the importance of institutions in democratic deliberation. Without examining institutional design, one cannot fully investigate Gutmann and Thompson’s theory. Analysis of the EU reveals that it scores moderately well in terms of publicity and accountability and proves it is not the secret, unaccountable institution many label it. However, this section also recognizes that the EU is a young institution and still has a lot to learn.

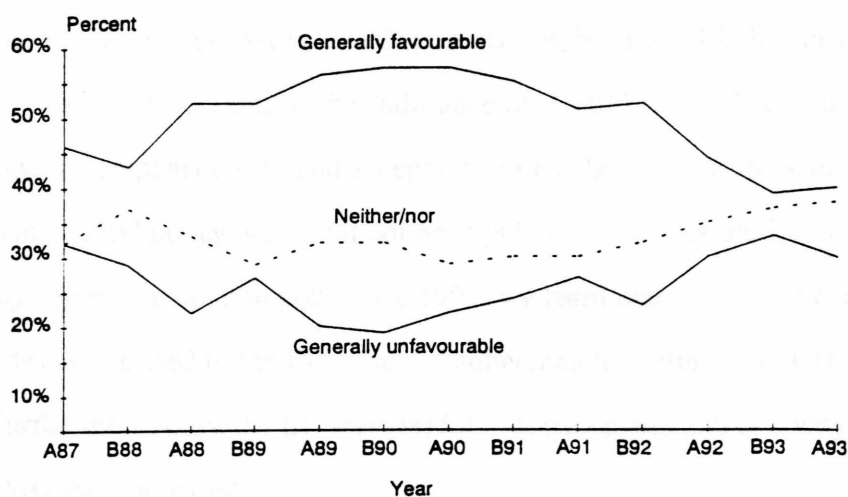
¹³² Page, 135-6.

¹³³ “Europe’s Mid-life crisis,” 3.

Figure 3: Public Opinion on the European Commission

Question: Has what you read or heard given you a generally favourable or unfavourable impression of the European Commission?
(A=Autumn; S=Spring; answers in percentages)

Year	A87	S88	A88	S89	A89	S90	A90	S91	A91	S92	A92	S93	A 93
Generally favourable	41	38	47	47	51	52	52	50	46	47	39	34	35
Generally unfavourable	27	24	17	22	15	14	17	19	22	18	25	28	25
Neither/Nor	27	32	28	24	27	27	24	25	25	27	30	32	33



Source: Andersen and Eliassen, eds. The European Union: How Democratic is It? 139-140.

Figure 4: How Happy are You With the EU and Your Own Government?

	Spring '91	Spring' 93
% of EU citizens with positive feelings toward EU		54
% of EU citizens with negative feelings toward EU		7
% of EU citizens satisfied with democracy in their own country	57	42
% of EU citizens dissatisfied with democracy in their own country	40	55

Source: Niedermayer, Oskar and Richard Sinnott. Public Opinion and Internationalized Governance. Oxford University Press: 1995, 71.

SECTION IV

The Relationship Between Public Opinion And Adherence to Gutmann and Thompson's Deliberative Principles

In the case of European monetary union, analyzing public support offers insight into the EU's adherence to Gutmann and Thompson's deliberative principles. To be truly effective and successful, public policies require public support. This is particularly true of European Union policies. As Matthew Gabel points out, because "EU law lacks a supranational means of enforcement, the endurance of the EU political system vitally depends on public compliance with and acceptance of EU law."¹³⁴ European monetary union represents an EU policy which did not have public acceptance until very recently. Through analyzing public opinion polls since 1991, we learn that the low level of public support was directly related to the EU's lack of adherence to Gutmann and Thompson's principles. Furthermore, once the EU increased its accountability and publicity, public support of EMU also increased.

We must first ask: what do opinion polls tell us? They are often poor reflections of people's actual attitudes. Many comment that "polls are an inexact measurement of public opinion, especially because they depend on how a question is put and the samples of the population the researchers ask."¹³⁵ This is especially true in Europe where fewer opinion polls are taken than in the United States. Because there is a smaller amount of polls, it is difficult to compare them to ensure that they accurately portray the public's attitude. Recognizing the fallibility of opinion polls, I will also analyze the EMU positions

¹³⁴ Gabel, Matthew, "Public Support for European Integration: An Empirical Test of Five Theories," *Journal of Politics* 60.2 (May 1998).

¹³⁵ Bush, George and Brent Scowcroft, *A World Transformed* (New York: Alfred A. Knopf, Inc., 1998) 358.

of national European leaders elected since 1992 because elections are also a means of viewing public opinion.

EMU Opinion Polls

Undeniably, European monetary union represents a policy in which elites have “pulled” publics in contrast to times when publics have “pushed” elites. Prior to EU negotiations, there never existed a public demand for a common European currency. In fact, in the months directly preceding the Maastricht Summit, 69% of the European public expressed opposition to EMU. The strides made at the Maastricht Summit did not quell this opposition; in fact, opposition to EMU increased to 77% in the Spring of 1992 and reached its peak of 83% opposed in the Fall of 1992, during the national ratifications of the Maastricht Treaty.¹³⁶

This high level of controversy and public opposition to EMU was hardly foreseen by EMU’s founders. When they met in Maastricht in 1991, to them, “EMU was the most carefully considered step on the road to European integration since the original decisions to form a common market.”¹³⁷ They recognized that public opinion was against EMU; however, they felt confident that the public would eventually become convinced of the benefits of a common currency and won over.¹³⁸ This did in fact occur; however, it was a very slow process.

The easiest way to explain the discrepancies between public opinion and government decisions, is to label EMU an elite policy, and assert that Europe’s statesmen and technocrats are disconnected from the public and the real world. However, this logic is far too simplistic. Policy-makers did not discount the public’s voice. Rather,

¹³⁶ Niedermayer, Oskar and Richard Sinnott Public Opinion and Internationalized Governance (Oxford: Oxford University Press, 1995) 71.

¹³⁷ Frieden, Jeffrey and Daniel Gros and Erik Jones, eds., The New Political Economy of EMU (Oxford: Rowman & Littlefield Publishers, Inc., 1998) 1.

¹³⁸ “Gambling on the euro,” The Economist 8 January 1999: 19.

recognizing that EMU is technical, innovative, and has very high stakes, they realized the public needed to time to learn, understand, and thereby support a common currency. It is not that the EU policy-makers felt the average European is ignorant and therefore his opinions are invalid, but rather, they realized Europeans are very nationalistic and simply afraid of change. Therefore, Europeans tend to view policies which involve major change in a negative light.¹³⁹ Change in Europe need not and should not be viewed in this manner. Quoting Jacques Santer, Philippe Bonzom, the Head of the EMU Integration Unit, best articulated the need for change: "Europe is like a bicycle- if you don't go [forward], you'll fall!"¹⁴⁰

Thus, while not acting according to public opinion, policy-makers were still acting in the name of public interest. In this respect, the EMU case is very similar to the Heidepriem case discussed in Section I. In both cases, policy-makers acted against public opinion because they considered the policies highly technical and complicated and thereby better decided by a knowledgeable policy-maker. Gutmann and Thompson do not fault Heidepriem for failing to defer to his constituents and would not fault the EU for this either. Gutmann and Thompson recognize there are instances, such as these, where policy-makers may know best. However, Gutmann and Thompson do fault Heidepriem for not acting accountably by not justifying his actions in terms understandable to the public. As discussed in Section III, Gutmann and Thompson would also fault the EU on these terms.

Back in 1991, European leaders strongly believed in the desirability and necessity of a common European currency. And, remarkably, over the years, through increased publicity and accountability (namely reason giving), they were able to convince the

¹³⁹ Lehner, Stefan, 30 April 1998.

¹⁴⁰ Bonzom, Philippe, Banque de France 6 May 1998.

European people of this. Thus, EMU represents a truly extraordinary policy; what many initially considered to be an elite policy, has transformed into a policy of the people.

Figure 5: Percent of all EU citizens in favor of EMU from Spring '91-mid '98

Year	% of all EU citizens in favor of EMU
Spring '91	39
Fall '91	31
Spring '92	23
Fall '92	17
Fall '94	45
Jan '96	52
Fall '96	52
end '97	55
mid '98	61

Sources: "Gambling on the euro," *The Economist*. 8 January 1999 and Niedermayer, Oskar and Richard Sinnott. *Public Opinion and Internationalized Governance*.

Figure 6: Percent in favor of EMU from October '96- mid '98

	Oct-Nov '96	end '97	mid '98
All EU members	52	55	61
EMU 11	56	60	66
Italy	76	78	83
Netherlands	68	57	73
Luxembourg	64	62	79
Spain	63	61	72
Ireland	62	67	68
Greece	61	59	67
Portugal	59	45	52
Belgium	57	57	68
France	56	58	68
Germany	40	40	51
Austria	38	44	56
Denmark	37	40	51
Sweden	36	34	39
Britain	35	29	34
Finland	34	33	53

Source: "Gambling on the euro," *The Economist*. 8 January 1999.

Figures 5 and 6 illustrate how greatly public opinion has changed over the past seven years. Before the Maastricht Treaty was written and during the national ratification process, public support for a single currency was very low and ever decreasing. Support fell from 39% in the Spring of 1991 to 17% in the Fall of 1992. However, once Maastricht was ratified by all EU members, public support began to slowly increase. In fact, it rose to 45% in favor in the Fall of 1994 and to a resounding 61% in favor of the euro by the middle of 1998.

While public opinion did eventually rise, it is important to study why it was originally so low. There are three related factors which made public support initially low and made the euro's birth more traumatic. First, a "wrenching recession" occurred in the early 1990s. This caused unemployment across the EU to increase from 8.2% in 1991 to 11.1% in 1994. The Economist reports that many people blamed the increased unemployment rates on the approach of EMU.¹⁴¹ Second, as the central country in EMU, Germany's failure to demonstrate widespread public support for EMU greatly affected other citizens. In fact, in the fall of 1996, only 40% of Germans supported EMU.¹⁴² Third, negative feelings towards EMU were engendered by the painful process of meeting the convergence criteria specified by the Maastricht Treaty. The Maastricht Treaty specifies target levels for inflation, interest rates, and budget deficits that a country must satisfy before it can join the monetary union. Martin Feldstein explains that "reducing inflation rates, budget deficits and public debt ratios requires contractionary monetary and fiscal policies that have contributed to the depressed levels of economic activity throughout Europe and the resulting double-digit unemployment rates."¹⁴³ These three

¹⁴¹ "Ready or not, here comes EMU," The Economist 11 October 1997 <Expanded Academic ASAP>.

¹⁴² "Gambling on the euro," 19.

¹⁴³ Feldstein, "Why Maastricht Will Fail," 14-15.

factors combined with the EU's lack of dedication to Gutmann and Thompson's deliberative principles, account for the initially low level of public support for EMU.

However, by the middle of 1998, once the eleven nations had successfully met the difficult convergence criteria, the recession was over, 51% of Germans now supported EMU, and the EU had taken significant steps to increase publicity and accountability, public support for EMU increased in every nation (except Portugal). From the end of 1997 to the middle of 1998, public support for EMU increased by six percentage points (from 55% in favor to 61% in favor). And, by mid 1998, a majority of people in all EMU nations now favored EMU.¹⁴⁴ This illustrates that meeting the convergence criteria and being a part of the monetary union convinced many that good times were ahead. In short, by the middle of 1998, the people had been won over and now viewed EMU as a legitimate policy.

In addition to increased public support, and a majority in every EMU country supporting EMU, many EU countries which are not part of the EMU-11 are now reconsidering joining. This "bandwagon effect" was predicted by Gutmann and Thompson's theory. This is an example of deliberation at its finest: through deliberation, policy-makers and the public discussed their differences, educated each other, and arrived at the consensus that EMU is, in fact, a legitimate and desirable policy.

In Sweden, although there still exists a slight majority against joining, "the people who want to join are gaining," reports Jonas Frycklund, an economist with the Federation of Swedish Industries in Stockholm. The government's official position remains to stay out for now, but "keep the door open" for later participation.¹⁴⁵

¹⁴⁴ "Gambling on the euro," 19.

¹⁴⁵ Stecklow, Steve, "Birth of Euro: Euro's Arrival Spurs Intense Debate, Raising Touchy Issues Among Holdouts," *The Wall Street Journal Europe* 4 January 1999 <Dow Jones Interactive Publications Library>.

Denmark, the traditional "bastion of Scandinavian euro-scepticism" also appears to be warming to EMU. On January 1, 1999, Denmark's finance minister proclaimed that a referendum on entering EMU could be called as early as 2001. Up until this point, the Prime Minister, Poul Nyrup Rasmussen, "had poured cold water on the idea of a referendum so soon, despite the fact that hostility to the euro among politicians and the public has been on the wane." This shift of policy follows the release of Denmark's most pro-EMU opinion polls ever. On January 1, 1999, a Gallup poll published in the Berlingske Tidende showed 48% of Danish in favor of EMU, 42% against and the rest undecided. This is the first poll that has "put the supporters' lead over opponents beyond the margin of statistical error." However, despite this poll, the Danish government does not want to have another "no vote" and therefore wants "to be absolutely sure that there is the backing in the population before they suggest another referendum."¹⁴⁶

Britain, the most eurosceptic member of the European Union is also reconsidering joining. British public opposition to joining the European single currency has dropped significantly since the euro was launched. A monthly poll published in the end of January on British sentiment towards EMU revealed a six-point drop in public opposition to entry. In the poll question, "If there were a referendum now on whether Britain should be part of a European single currency, how would you vote?", the balance against entry dropped from 24% last month to 18%. Michael Saunders, a Salomon Smith Barney economist, states that "the drop reflected the fact that the euro was now a reality" and he predicts that "public hostility to European monetary union will probably fall further in the year ahead."¹⁴⁷

Many believe the British will eventually join EMU, and that it will be sooner rather than later. Charles Bean, an economics professor at the London School of Economics and

¹⁴⁶ Helm, Toby. "Birth of the euro: Denmark rethinks strategy as hostility wanes," The Daily Telegraph 2 January 1999 <Dow Jones Interactive Publications Library>.

¹⁴⁷ Smith.

Politics, "predicts there is a 95% chance Britain will adopt the euro by 2005." He explains that Britain "always joins eventually, just a few years after everybody else."¹⁴⁸ Philippe Bonzom, a representative of the Banque de France agrees that the British will eventually come around and join EMU. Like Bean, he also points out that the British are famous for being eurosceptics and we should not be surprised that Britain is dragging its feet on the path to EMU.¹⁴⁹ Leonard Freedman also reminds us that the British have always "been slow to accept a European identity, maintaining a complacent insularity behind the narrow stretch of waters separating it from the continent."¹⁵⁰ In 1950, when Germany and France organized a coal and steel community, Britain refused to join. Once again, in 1957, when the Common Market was founded, Britain declined the opportunity to be in at its creation. However, Britain eventually joined in 1973. Freedman further remarks that Britain's late and hesitant entries result in some severe disadvantages. Namely, by the time Britain decides to join, rules and policies have "already been set to serve the purposes of its original members."¹⁵¹

National Elections: An Alternative Measure of Public Attitudes

While polls and rhetoric offer reflections of public attitudes, they are neither all knowing nor all inclusive. Because polls are taken sporadically and because they are unable to include the opinions of all people, we must look to another source to offer confirmation of public attitude. Elections represent the "key means by which citizens in a liberal democracy can signal their preferences and intentions to political elites."¹⁵²

Therefore, through elections, citizens exercise opinions on policy issues.

¹⁴⁸ Helm.

¹⁴⁹ Bonzom, Philippe. October 1998.

¹⁵⁰ Freedman, Leonard, *Politics and Policy in Britain* (White Plains, New York: Longman Publishers USA, 1996): 316.

¹⁵¹ Freedman, 317.

¹⁵² Dunleavy, 1.

Analysis of national election results reveals that since 1992, only one anti-EMU candidate has been elected, Germany's Gerhard Schroeder in 1998. This suggests that Europeans have been quietly fond of the EU and a single currency all along, they were just hesitant to admit it when asked outright. Or, at least, election results illustrate that while Europeans might not have been "pro-euro" all along, they were definitely not "anti-euro."

Schroeder aside, the majority of candidates had campaigns which strongly advocated European monetary union and strengthening the European Union. Belgian Prime Minister Jean-Luc Dehaene was elected in 1995 on a campaign "strongly committed to meeting the economic targets for future European economic and monetary union."¹⁵³ He further declared that Belgium should be a "motor of European integration" and that "we need more, not less, Europe."¹⁵⁴ In Finnish President Martti Ahtisaari's successful 1994 campaign, he "expressed strong support for Finland's application to join the European Union- the hottest foreign policy issue on the national agenda."¹⁵⁵

France, one of the initial champions of EMU, has elected two pro-EMU leaders since 1992. Francois Mitterrand, President from 1981-1995, "sought to strengthen the European pillar of the Atlantic Alliance and he called for nothing less than an eventual 'United States of Europe,' but in the meantime supported a European confederation with a single currency, unified foreign policy and a common defense force."¹⁵⁶ Elected in 1995, President Jacques Chirac picked up exactly where Mitterrand left off: getting all French forces ready for the inevitable European monetary union. He acknowledged that

¹⁵³ The Europa World Yearbook 1998. (London: Europa Publications Limited, 1998) 579.

¹⁵⁴ "Belgium's Dehaene To Try To Form Another Coalition Government," Dow Jones Newswires 29 May 1995 <Dow Jones Interactive Publications Library>.

¹⁵⁵ Cossolotto, Matthew The Almanac of European Politics 1995. (Washington, D.C.: Congressional Quarterly, Inc., 1995) 84.

¹⁵⁶ Cossolotto, 101.

preparation for the euro would “create problems for France as it [would] for all EU member states who wanted to qualify”; however, he asserted it was worth it.¹⁵⁷

President Costis Stefanopoulos’ campaign stressed Greece’s commitment to EU policies: “Greece must participate equally and dynamically in the development of the EU.”¹⁵⁸ Italian President Oscar Luigi Scalfaro took office in 1992 and since then has committed his administration to getting Italy into the fiscal shape required to qualify for admission to EMU. And, in 1996 when the “EMU train” began to slow down, he was determined to keep it moving and hoped Italy “could show enough progress in bringing down its heavy national debt to convince its partners that it merits a berth in the single currency.”¹⁵⁹

Replacing Jacques Santer in 1994, the new Prime Minister of Luxembourg, Jean Claude Juncker carried on Santer’s euro-spiritidness and commitment to EMU. Dutch Prime Minister Wim Kok, elected in 1994 and again in 1998, was adamantly behind the success of the euro. He explained that “we really cannot afford to let EMU fail” and put great effort into ensuring that failure was not a possibility.¹⁶⁰ In 1996, Dr. Jorge Fernando Branco de Sampaio won the Portuguese Presidency with a platform committed to continue bringing Portugal’s economy in line with its European partners.¹⁶¹ While Spanish Prime Minister Felipe Gonzalez was viewed as an EU-enthusiast in his fourteen years in office, Prime Minister Jose Maria Aznar, who took over in 1996, was even more dedicated to the promotion of EU causes, especially EMU. “After only two years of Mr.

¹⁵⁷ “Chirac Repeats France Commitment to Qualify for Euro,” Dow Jones News Service 17 July 1997 <Dow Jones Interactive Publications Library>.

¹⁵⁸ Quinn, Patrick, “Greece to Hold Early Elections.” 22 August 1996 <Dow Jones Interactive Publications Library>.

¹⁵⁹ Bremner, Charles, “Italy determined to ensure EMU train runs on time.” The Times of London 11 January 1996 <Dow Jones Interactive Library>.

¹⁶⁰ “Dutch Prime Minister Says EMU Delay Will Hurt Credibility,” Dow Jones News Service 30 June 1997 <Dow Jones Interactive Library>.

¹⁶¹ The Tampa Tribune 10 March 1996 <Dow Jones Interactive Library>.

Aznar's fiscal and monetary management, Spain was better qualified than some of its large partners to become a founding member of the European monetary union."¹⁶²

Others ran campaigns open to the idea of EMU, though not as vocally committed and outspoken as the aforementioned leaders. Elected in 1997, Mary McAleese's campaign did not touch upon EMU; however, once in office McAleese has demonstrated Irish support for EMU. Austria's President Thomas Klestil, elected in 1992 and re-elected in 1998, delivered his country into the EU and eventually European monetary union.¹⁶³ While Sweden is not participating in the first round of EMU, Prime Ministers Ingvar Carlsson and Goran Persson have remained pro-EU leaders. Elected in 1997, a main focus of Persson's campaign was urging "the process to enlarge the EU [be] accelerated in order to strengthen European security."¹⁶⁴ Once launched, Sweden became eager to join the single currency. In fact, in January 1999, Prime Minister Persson "called for an early decision by his ruling Social Democrat party on whether to join the single currency."¹⁶⁵

Tony Blair also falls under this category. While Blair cannot exactly be labeled a euro-enthusiast, he is definitely more so than either Margaret Thatcher or John Major. Thatcher's opposition to EMU eventually led to her downfall and she was replaced by John Major who was more pro-EU than she. Still, Major "was not immune from the traditional British aversion to any loss of sovereignty, and he had to deal with the persistent strong dislike of the EC that came from the right wing of the Conservative party, including Lady Margaret Thatcher herself."¹⁶⁶ With all the controversy sparked by the EMU debate, it is not surprising that during the 1997 election neither of the main

¹⁶² "Aznar's Cautela," The Wall Street Journal Europe 20 August 1998 <Dow Jones Interactive Library>.

¹⁶³ Cossolotto, 48-49.

¹⁶⁴ The Europa World Yearbook 1998, 3202.

¹⁶⁵ Cornwell, Rupert, "Excluded countries hurry to join euro." The Independent-London 9 January 1999 <Dow Jones Interactive Publications Library>.

¹⁶⁶ Freedman, 319.

parties was prepared to commit itself to EMU. "Prime Minister John Major had gone as far as he could to placate Conservative Eurosceptics opposed to European integration without actually ruling out entry, brandishing the opt-out negotiated at Maastricht, and promising to decide later."¹⁶⁷ Labour leader Tony Blair employed his favorite tactic of occupying Conservative ground in a bid to nudge Major further to the right and copied Major's "wait-and-see" line right down to the promise of a referendum if he decided to join later.

Elected in January 1993, Danish Prime Minister Poul Nyrup Rasmussen was "pro-EU" and "behind Maastricht from the beginning;" however, the negative feelings of the Danish on Maastricht caused him to temper his position. Since the initial failed Maastricht referendum in May 1993, Rasmussen has moderated his position on EMU. In the 1998 election, an extremely pro-EMU candidate, Uffe Ellemann-Jensen, threatened to push Rasmussen out of office. Ellemann-Jensen went against historical Danish euroscepticism and asserted that it was "harmful" that Denmark had decided not to participate in EMU in the first round.¹⁶⁸ Although Ellemann-Jensen was expected to defeat the current Prime Minister, Rasmussen won in the end. His near loss taught him to be more euro-friendly and in January of 1999, Rasmussen powerfully endorsed the euro and stated "that growing public support would allow the referendum required to approve membership to be held well before 2001, previously considered the earliest date possible."¹⁶⁹

While Rasmussen was less pro-euro than Elleman-Jensen, he was not against the euro. Therefore, Gerhard Schroeder was the only anti-euro candidate to win a national election since 1992. A large focus of Schroeder's campaign was his opposition to Kohl's

¹⁶⁷ Pitchford and Cox, 98.

¹⁶⁸ "Denmark Nears Elections, EMU, Economy at Issue," The Wall Street Journal Europe 11 March 1998 <Dow Jones Interactive Publications Library>.

¹⁶⁹ Cornwell.

leadership in the EMU process. Throughout the campaign, Schroeder referred to his less than enthusiasm about “replacing the deutsche mark with the euro and following NATO’s example of expanding EU membership into Eastern Europe.”¹⁷⁰ Schroeder’s historical victory ended Helmut Kohl’s sixteen years in office and “also robbed the 15-nation EU of a leader regarded as the prime mover toward European integration.”¹⁷¹ In fact, “most European analysts agree that without Kohl to steer his bickering EU colleagues through the perilous waters of EMU they will give up the dream of a United States of Europe and revert to narrow nationalist agendas as soon as times turn bad.”¹⁷²

Therefore, the fact that in national elections, Europeans have overwhelmingly elected pro-EU and EMU candidates since 1992, suggests that the public was never really against the euro, they were just hesitant to endorse it because it meant putting Europe before their individual nations. By electing candidates who supported EMU and a strengthened EU, they were, in effect, quietly supporting EMU and decisions made by the EU. Thus, Europeans have long recognized that the euro is the right thing (for Europe and for themselves); however, when asked about it point blank they were hesitant to respond. Over time the public has learned more about EMU and is therefore more comfortable with being outwardly supportive.

How Informed are Citizens About EMU?

Despite increased public support and increased information, the majority of Europeans remain confused and poorly informed about European monetary union. Figure 7 reveals that in the middle of 1998 no nation possessed a majority of citizens feeling well informed about EMU. Some of these numbers are frighteningly low. It is

¹⁷⁰ Jensen, Holger, “Germany’s Defeat of Kohl Hobbles European Union.” *Rocky Mountain News* 29 September 1998 <Dow Jones Interactive Publications Library>.

¹⁷¹ Jensen.

¹⁷² Jensen.

problematic that only 11% of Portuguese (the lowest percentage of any nation) consider themselves well informed about EMU when Portugal is one of the eleven participating countries and an opinion poll taken at the same time reported 52% of them in favor of EMU. Why is there such a large discrepancy between those who feel informed and those who support EMU? As illustrated by Figure 7, only 27% of European Union citizens feel well informed about EMU.

Figure 7: Poll on how informed EU citizens are about EMU in mid '98

Country	% feeling well informed about EMU in mid '98
EU-15	27
EMU-11	25
Luxembourg	43
Netherlands	43
Denmark	42
Austria	42
Finland	34
France	33
Germany	32
Belgium	31
Spain	22
Ireland	17
Italy	17
Sweden	16
Britain	13
Greece	12
Portugal	11

Source: "Gambling on the euro," *The Economist*. 8 January 1999.

Increased Publicity: Attempts to Educate the Public on EMU

Whose fault is that the majority of European citizens remain poorly informed about EMU? While many would blame the government, especially the European Union, this is not where the finger should be pointed. National governments and the EU have taken, and are currently taking, many strides to inform and prepare all citizens for EMU.

On November 10, 1998, the French finance ministry launched its second big euro publicity campaign which sent a sixteen page brochure to every French home, and began a three week campaign on television.¹⁷³ The Dutch government spent \$27 million in 1998 alone on its EMU campaign. "The euro will belong to all of us," declare Dutch television ads and bus stop posters. The Dutch government has also created a website on the euro.¹⁷⁴ The Spanish government began a campaign in 1997 to prepare its citizens for the euro and in 1998 it launched a national campaign. A four day, mock-euro experiment was held in Churriana in October 1998. People were able to buy "euros" worth a maximum of 4,600 pesetas. The enthusiasm was so great that banks quickly ran out of "euros."¹⁷⁵

Even before January 1, 1999 when the exchange rate for each currency was fixed, many French, Dutch, and Spanish banks "put the final balance on peoples' bank statements in euros, working on a rough conversion." In addition, a large French supermarket chain, Centres Leelerc, began in May 1997 to show prices in both francs and euros. Some shops in Brussels and Portugal have also begun to show prices in both the local currency and euros. The Economist reports these countries have also begun to put their hotel and restaurant bills in euros.¹⁷⁶

The German government has been placing large ads in national newspapers and running television commercials "to extol the virtues of the euro."¹⁷⁷ Euro-keen Munich has already set up a 25-strong "euro working-group" to ensure that vending machines, parking meters, etc. are ready for the euro currency in 2002. The Belgian post office has promised a new stamp in October 1999 which will have a face value in both Belgian francs and euros. The Belgium tax authorities, "keen for any money they can get, have been

173 "Befuddled in Euroland."

174 "Befuddled in Euroland."

175 "Befuddled in Euroland."

176 "Befuddled in Euroland."

177 "Befuddled in Euroland."

moving rather more quickly. A single form will offer the taxpayer the option of settling his liability in Belgian francs or in euros during 1999-2001.”¹⁷⁸

The Portuguese government seems to have little faith in its public’s level of knowledge as its euro TV campaign “shows a patronising ‘uncle’ unfolding the mysteries of the euro to a wide-eyed family.”¹⁷⁹ However, perhaps the government has a point as only 11% of its citizens feel well-informed about EMU and “only two-fifths of Portuguese are even aware that the countries that will launch the single currency have already been chosen.”¹⁸⁰

As mentioned earlier, the European Union is avidly attempting to educate its citizens on EMU and the euro. If one wants to find information, it is out there. The EU’s web page and Quest database provide everything one would ever want and/or need to know about EMU and the euro. (Alas, Europe as a whole is much less “wired” than the United States so not all Europeans may have access to this information). In addition, the European Commission spent 18 million ecus on “communication campaigns” in 1998.¹⁸¹ Thus, the information is available. The EU and all national governments are vigorously trying to be more open and accountable. However, they can only do so much. The citizens must also take some responsibility. Deliberation demands the functioning of a “give and take” process; the people are clearly not holding up their end of this deal.

There is, however, a larger question involved. Even if information is available and easily accessible, will it be understood? Does it require a higher level of economic literacy than currently exists among the general European population? For example, a study done by the Kaiser Family Foundation found that in the United States, people are greatly uninformed about economic issues and “often exaggerate the economy’s troubles while

178 “Befuddled in Euroland.”

179 “Befuddled in Euroland.”

180 “Befuddled in Euroland.”

181 “Ready or not, here comes EMU.”

they remain ignorant of its successes.”¹⁸² Only 2% of the 1,511 interviewed knew that unemployment, inflation, and the deficit are lower than five years ago. Furthermore, when asked to estimate the United State’s unemployment rate, the average response was 20.6; however, the actual unemployment rate is 5.4. People were also far off in estimating the current rate of inflation; the average estimation was 13.5 but it is actually 2.9.

Unfortunately, I have found no comparable data for Europe. The American data suggest however, that agreement on a policy and full knowledge of its technical components is a complex and little understood phenomenon.

As reiterated by two European Commission representatives and a Banque de France representative, European monetary union is a joint European project being carried out “for the greater good of the people.” My research illustrates that the EU has proven itself to be accountable, responsible, and effective and EMU has won the European public’s support. While some Europeans still do not support EMU because they “fear they will lose out under monetary union” what they need to realize is that EMU is being done for the greater good of the people, *all* European people.¹⁸³

¹⁸² Morin, Richard and John M. Berry. “A Nation That Poor-Mouths Its Good Times.” Washington Post 13 October 1998: A1+.

¹⁸³ European Commission, 27 April 1998.

CONCLUSION

With an issue as complicated and technical as European monetary union, it can be difficult to include the public in policy formation. However, Gutmann and Thompson's democratic deliberation theory reminds us that public involvement is crucial. Even if policy-makers do not ultimately base their decisions on the opinions of the people, the people are a necessary ingredient in the policy formation and deliberation processes.

The deliberative principles of accountability and publicity are critical in all cases; however, they are especially critical in cases such as EMU, where policy-makers diverge from public opinion. Accountability and publicity ensure that policy-makers act responsibly by requiring that their decisions are made public and that they explain the reasons behind them.

In the early stages of European monetary union development, policy-makers failed to adhere to the principles of accountability and publicity. Their meetings were often held in secret and they made little effort to explain to the public the reasoning behind their decisions. This was especially dangerous due to the high-stakes and great complexity involved in EMU issues. Against EMU from the beginning, the public became even more opposed to EMU in its early negotiations due to the failure of policy-makers to uphold the standards of publicity and accountability. Perhaps if policy-makers would have been more open and increased their attempts to inform the people from the beginning, they would have won over public support much earlier. Thus, as in the Heidepriem case discussed in the first section, while it is not wrong for policy-makers to make decisions against public opinion, it is very wrong for them not to adhere to the principles of accountability and publicity.

As discussed in Section II, the tiresome and difficult national ratifications of the Maastricht Treaty illustrated that policy-makers were wrong to assume the people would be effortlessly won over to their side. Indeed, the people proved they were a force to be

reckoned with and demanded further explanations before they would commit their nations to a common European currency they knew little about. As discussed in Sections III and IV, policy-makers and the institution of the European Union responded quickly and intelligently to the public's rage. By taking major steps to ensure increased publicity and accountability, they saved the Maastricht Treaty and their dream of a European monetary union.

Thus, while not met initially, the deliberative principles of accountability and publicity were eventually fulfilled and EMU earned its legitimacy. This is best illustrated by Section IV which details the great strides individual nations and the European Union took (and are currently taking) to inform their citizens and become more accountable. They have all made incredible efforts in the past year; however, they are still to be faulted for not focusing on accountability and publicity from the beginning.

This increased dedication to accountability and publicity has facilitated a great change in public attitude. As revealed in Section IV, there has been a significant change in public opinion on EMU and now the majority of citizens in every EMU nation support a common European currency. Thus, European monetary union exemplifies deliberative democracy at its finest: though initially opposed to EMU, through discussion and education (facilitated by the principles of accountability and publicity), citizens came to realize that EMU is a truly legitimate, desirable policy.

Yet, despite the fantastic efforts and the millions of ecus the EU spends promoting both the European cause and itself, the European people remain poorly informed regarding European monetary union. Thus, simply increasing the amount of information disseminated to the public has not alleviated information asymmetries. Simply put: EMU and its related issues are very difficult for the common European citizen to comprehend. While we champion EMU as a successful policy because it now enjoys overwhelming public support, due to the fact that the majority of citizens consider themselves poorly informed about EMU, do they truly know what they are supporting? Perhaps they do not

know enough about the complex aspects of EMU but they know enough to realize that EMU is a policy in the best interests of all Europeans. Thus, debate on EMU should not be criticized for failing to completely inform the entire European population. National governments and the EU have successfully satisfied the publicity criteria and information on EMU is readily available to the public. Due to the complex nature of EMU, it is up to the public not only to obtain the information but to take the additional, difficult step and attempt to understand it.

My research provides two original contributions to democratic deliberation. First, it reveals the important role of institutional design in democratic deliberation. The EMU case study stresses that a policy cannot be fully investigated without examining institutional design. While Gutmann and Thompson recognize the importance of institutions, their theory fails to devote much attention to this crucial matter. They concede, "we did not undertake to provide an inventory of institutional changes because the design of the institutions of deliberative democracy depends critically on developing principles to assess them."¹⁸⁴ Without disputing their insistence upon developing principles, this thesis demonstrates the difficulty of separating theory from the institutional context in which it is put into practice. Second, it reveals the difficult challenge of fulfilling standards of deliberation in technically complex matters, when policy originates with experts/elites but encounters opposition among people. While the EMU case demonstrates that Gutmann and Thompson's deliberative principles can be fulfilled even in technically complex cases, the difficulties encountered lead us to question the overall applicability of Gutmann and Thompson's theory to highly technical cases. Clearly, further research is needed in the applicability of democratic deliberation theory to technical issues, especially in this increasingly complex, technical world.

¹⁸⁴ Gutmann and Thompson, 358.

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