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The future of differentiated integration: A 'soft-core' multi-clustered Europe of overlapping policy communities

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**POLITICIZATION IN THE EU:
BETWEEN NATIONAL POLITICS AND EU POLITICAL DYNAMICS**

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Abstract

The EU has become increasingly politicized not only at the bottom, due to polarized debates, divided electorates, declining mainstream parties, and rising Euroskeptic populism; or from the bottom up, as national politics permeates member-state leaders' positions in the Council. It has also emerged purely at the top, in the increasingly politically charged dynamics of interaction within and among EU actors. Such politicization involves struggles for power and influence that are ideational as much as institutional and coercive. Current theorists of EU integration, because of their tendency to focus on only one or another EU actor have overlooked the EU's politicized dynamics, even though their accounts, taken together, provide ample evidence of it. The article shows that the EU has gone from what was once metaphorically described with the catchphrase of 'politics *without* policy' at the national level to 'politics *against* policy' in more contentious areas, whereas at the EU level it has moved from 'policy *without* politics' to 'politics *with* policy'. The paper illustrates with the cases of the Council and the Commission in the Eurozone crisis.

Keywords: Politicization, European Union, Council, Commission, populism, Eurozone crisis

INTRODUCTION

Although the European Union has always been political, it has become increasingly politicized over time, in particular since the EU's recent series of crises. Politicization here is defined as the process through which European integration has become the subject of public discussion, debate, and contestation. Such discussion may concern the EU's governing authority—that is, the EU's very right to exist or its impact on national sovereignty and identity—as much as its governing activities—including the EU's policy effectiveness, the EU's political responsiveness to citizens' preferences, and the EU's procedural accountability, transparency, or inclusiveness. Over time, the EU's authority and/or activities have become increasingly contested, with a rapid escalation in the polarization of debates in the context of the EU's recent crises (e.g., Börzel and Risse 2018; Schimmelfennig 2018). Such politicization manifests itself in multiple ways at the national and supranational levels: at the bottom, in the increasingly divisive debates, divided electorates, and volatile party politics; from the bottom up, through national level influence on EU actors; and at the top, in the increasingly contestational nature of interactions of EU actors.

At the national level, politicization is a complex phenomenon in which growing electoral divides find expression in increasingly polarized national debates, often led by populist challenger parties to which mainstream parties struggle to respond (Kriesi and Hutter, this volume; Hooghe and Marx 2009; Hix and Hoyland 2013). This politicization at the bottom has many different sources, both economic and social, for which the EU has often been used as the scapegoat. But there are also purely political sources of dissatisfaction which have to do with the dilemmas of EU governance. Citizens elect leaders at the national level while policy in increasing numbers of areas is made at the supranational level, where the familiar left-right politics appears displaced by technocratic decision-making (Schmidt 2006; Mair 2013). Citizens' feelings that they have little voice let alone vote on matters of concern in an EU seen as largely technocratic is metaphorically captured by Schmidt's (2006) catchphrases characterizing the national level as consisting of 'politics *without* policy' in EU-dominated policy areas while the supranational level is 'policy *without* politics.'

But such catchphrases at best describe impressions of the period before the EU's cascading series of crises, which generated an exponential increase in populist challengers against a background of declining trust in EU and national governing authority along with rising dissatisfaction with their governing activities (Kriesi 2014; Hobolt 2015). The Europeanization of national policies has also led to increasing politicization of the EU as an issue for national politics (De Wilde and Zürn 2012; Hutter et al. 2016; Zürn, this volume). This suggests a new catch-phase to describe such

national politicization, with the EU having moved from national level ‘politics *without* policy’ to ‘politics *against* policy’ in the most contested domains—or even to ‘politics *against polity*’ in the most extreme cases, notably with the UK voting to exit the EU.

Politicization has not remained solely at the bottom, however. It has also had bottom up effects at the supranational level. In the European Council we see the growing influence of national politics on member-state leaders’ positions (e.g., Schimmelfennig 2015; Hodson and Puetter 2019), in the European Parliament, the election of extremist parties (Treib 2014; Hix and Høyland 2013). Among supranational actors, the bottom up pressures from national politicization may be more diffuse, but the Commission, the ECB, and the growing array of regulatory bodies have all become keenly aware of the political importance of public perceptions of their actions and the need to address them (e.g., Hartlapp et al., 2014: 229-230).

Politicization is not just at the bottom or bottom up. It is equally at the top, in the increasingly politicized interrelationships of major EU-level actors—Council, Commission, European Central Bank, and European Parliament. These interrelationships involve struggles for power and influence that, although long present, have sharpened in the recent crises, with hard bargaining more pronounced (Schimmelfennig 2015), productive consensus more difficult to achieve (Hodson and Puetter 2018). Such power struggles are ideational, regarding which political-economic ideas about what to do prevail, as much as institutional, involving which actor gets to do what, and coercive, concerning who imposes the costs of the decision on whom (Carstensen and Schmidt 2017). Battles are fought not just over who is in charge of decision-making but also over who acts with legitimate authority, which policies are legitimate, and on what grounds (Crum and Curtin 2015; Schmidt 2018). Such battles are manifest in the increasingly intense internal debates over what to do and who should decide. But those debates now also increasingly spill out from the corridors of power into the public sphere, as policymakers address not only fellow policymakers but also European citizens more generally as they seek to explain and legitimate their actions (Schmidt 2018; Carstensen and Schmidt 2018).

The combination of politicization from the bottom up and at the top suggests yet another update of Schmidt’s (2006) catchphrase. The EU’s seeming ‘policy *without* politics’ at the supranational level has now been replaced by ‘policy *with* politics’ in the EU’s more contentious areas. The presence of politicization, it should be said, is not a new phenomenon, since this kind of politics has always been present in the EU. Cases in point include power struggles between the Council and the Commission—one of the earliest most famously being the ‘empty chair’ crisis of 1966—and the clash of ideas about how to govern the EU economy (Brunnermeier et al., 2016), which EU actors have

long sought to defuse through strategies of depoliticization (Fawcett and Marsh 2014; Zürn, this volume). But today politics has become more pronounced at every level, as increasing politicization at the bottom along with bottom up political pressures on EU actors are now joined by the much greater politicization of the dynamics of interaction among all EU institutional actors.

This article considers all levels of EU politicization, but focuses on the dynamics of EU level politicization at the top in order to fill a gap in the EU studies literature. That literature has been more concerned with politics in the member-states, on its effects on member-state leaders' decisions in the Council, and even on individual EU institutional actors on their own rather than on the increasingly politicized interrelationships among such actors. But, as this article will show, EU integration theorists' very own perspectives on the different individual EU actors, once juxtaposed, provide the basis for the argument that the EU level has developed a more complicated political dynamics of interaction, in which all EU actors are engaged in struggles for power and authority as well as legitimacy for their EU governing activities. The article begins with brief discussions of politicization at the bottom and its bottom up manifestations. It subsequently turns to politicization at the top, which the article then illustrates with the cases of the Council and the Commission in the Eurozone crisis. The conclusion raises the question of whether such politicization is a good thing or a bad thing for the EU as a whole.

POLITICIZATION AT THE BOTTOM: FROM POLITICS *WITHOUT* POLICY TO POLITICS *AGAINST* POLICY

At the national level, the concept of politicization can be used to describe four interrelated phenomena: 1) the increasing political salience of the EU in national public spheres; 2) the growing cross-cutting cleavages in the electorate that find expression in public debates; 3) the mainstream party politics that has had difficulty coping with the electoral divides, as evidenced in election losses and weak public discourse; and 4) the rise of populist challenger parties and governments that benefit from the electoral divides and mainstream parties' weaknesses as they give voice to the discontent. These various manifestations of politicization reflect the growing polarization of views on the EU in terms of its authority and its activities, with increasingly intense debates manifest not only within national public spheres but also between them, via multiple refracted debates (Kriesi et al., 2012).

The causes of such politicization are many, with sources in socio-economic and socio-cultural concerns as much as purely political ones. The socio-economic sources of politicization include anger at policies seen to have created rising inequalities, with many

people ‘left behind’ by globalization and Europeanization (e.g., Rodrik 2018). The socio-cultural sources encompass worries about loss of social status (e.g., Gidron and Hall 2017) and/or about the changing ‘faces’ of the nation as a result of migration. In all of this, the EU has gained increasing salience in public debates, in particular as a scapegoat. The EU’s recent crises have only added fuel to the fire, with North-South divisions in national electorates in the Eurozone crisis, East-West in the migration crisis (Börzel and Risse 2017; Hutter and Kriesi, this volume).

These issues are at the basis of long growing divisions within and between national electorates. Even before the exacerbations due to the EU’s various crises, analysts worried about the emergence of new cleavages between citizens whose vision of Europe is more open, universalist, liberal and cosmopolitan and those with more closed, communitarian, xenophobic and nationalist (or even EU-regionalist) orientations (Hooghe and Marks 2009, 2019; Kriesi et al. 2012; Zürn, this volume). The result is that today the EU suffers from increasingly significant crosscutting cleavages in which newer identity-related divisions have only added to the traditional political divisions based on adherence to right/left political parties.

The sources of politicization are not just grounded in how the economic and social sources of discontent feed into new electoral cleavages, however. They are also political. The problem for national governments, as Mair (2013) has put it, is that they have been torn between being responsive to citizens, by fulfilling their electoral promises, and acting responsibly by adhering to supranational commitments. The pressures to be responsible affect not only the sitting governments that agreed to the supranational policies but also the opposition parties that may have campaigned against the very policies that they will then be expected to implement when they gain office—most notably in the case of Greece’s Syriza government. No wonder, therefore, that to express their discontent, electorates have more and more frequently voted to turn out incumbent governments or to vote down EU-related referenda whenever they have the chance (Schimmelfennig, this volume). The rallying cry of ‘Take back control’ in the referendum on Britain’s exit from the EU is another expression of such political dissatisfaction.

Increasing national political volatility is also manifested in rising Euroskepticism along with the dramatic changes in party alignments across Europe (Hutter and Kriesi, this volume). Across Europe has come the rise of populist Euroskeptic, anti-Euro and anti-EU parties at least since the 1990s (Kriesi 2014; Hutter et al., 2016), with the EU’s recent multiple crises having acted as triggers for a sea change in anti-system attitudes, as expressed in party elections. Eurobarometer polls (EB 2007-2018) show that trust in national governments and EU governance dropped precipitously after 2007, along with

the positive image of the EU, as the financial crisis was followed by the Eurozone crisis and later the migration crisis (Hobolt 2015). This loss of trust helps explain why populist parties' anti-system messages about self-serving, corrupt elites may have resonated, as they have mustered growing public support for views that contest EU authority and activities in increasingly polarized public debates (Kriesi 2014; Hobolt 2015).

Note, however, that such feelings (and the realities) of disenfranchisement are not only due to the EU (e.g., de Wilde and Zürn 2012). While Brexit was probably the *summum* of the EU's populist revolt—at least until the Italian election of March 2018, when euroskeptics won a governing majority—Trump's election in the US was fueled by very much the same sentiments. 'Politics *against* policy' has been a growing trend for advanced industrialized countries generally, and not just the EU. That discontent is in part a consequence of the increasing supranationalization of decision-making in an era of globalization (see, e.g., de Wilde and Zürn 2012; Zürn this volume). The difference between most advanced industrialized countries and EU member states is that other countries are able to choose to accept, to contest, or even not to implement policies of which they (or their citizens) disapprove—as the Trump Presidency's actions on trade and migration have amply illustrated. EU member states, having given up a large measure of autonomy in exchange for the EU's shared authority, cannot do this as readily, given the role of EU institutions in enforcing the rules through Commission oversight, ECJ opinions, and the national courts (S. Schmidt 2018).

POLITICIZATION FROM THE BOTTOM UP: EU ACTORS' INCREASING POLICY *WITH* POLITICS

Politicization at the bottom has had a major bottom up impact on all EU level actors. It has first and foremost undermined the 'permissive consensus' that neo-functional scholar argued had allowed EU actors to deepen integration without much public scrutiny or concern (Lindberg and Scheingold 1970). Since the Maastricht Treaty, growing public awareness of the EU has resulted in what post-functionalist scholars have called the 'constraining dissensus', as decision-making on European integration 'entered the contentious world of party competition, elections, and referendums' (Hooghe and Marx 2009: 7).

National level politicization has in particular acted as a constraint on member-state leaders in the Council, who have increasingly been willing to defy the EU consensus in order to score points at home. In the Council, even if partisan politics *per se* remains largely absent, the politics of nationally partisan governments has infected Council decisions. Individual governments have been able to impose their preferences through

threatened (or actual) vetoes of impending legislation, often the case of the UK pre-Brexit, and through refusal to agree to and/or implement legislation, the case of populist governments in Central and Eastern Europe on aspects of refugee and immigration policy. At the same time, coalitions of member states have been able to gain agreement for their preferences as the result of coercive threats (e.g., Schimmelfennig 2015) or deliberative persuasion (Puetter 2012). A case in point is the Eurozone, with its restrictive budgetary policies and structural reforms that were pushed by a Northern European alliance led by Germany (Blyth 2013; Schimmelfennig 2015).

In the EP, bottom-up politicization has arrived first and foremost in the form of the larger presence of populist representatives elected in the 2009 elections, with even more in the 2014 elections (Treib 2014). Even though their actual presence has had minimal impact on EP policies (so far), it has given populists a EU platform from which to speak to their national constituencies. Moreover, although the grand coalition of center-left and center-right has so far continued to privilege the politics of the public interest, its sensitivity to the political concerns of the citizens has meant that it has increasingly made public pronouncements on the political issues of the day, such as the refugee crisis and the Eurozone crisis, often accompanied by scathing critiques of the Council, the ECB, and the Commission through hearings and in reports (Héritier et al. 2016).

While supranational actors such as the Commission, the ECB, the ESM (European Stability Mechanism), and other regulatory agencies, have not experienced the same degree of politicization as the majoritarian institutions of the EU, politics has nonetheless had a direct but diffuse influence (generalized from across the member states). As non-majoritarian institutions have become ever more aware of and concerned by public sentiment about the EU, they have become increasingly intent on appearing responsive to politically salient issues so as to improve public perceptions of their legitimacy (Hartlapp et al., 2014: 229-230; Rauh 2016). Concerns about national level politicization have also led EU officials to increasingly communicate with the public directly—to inform the citizens of EU actions as well as to legitimate those actions (Biegón 2013). An early example of this was the Commission's 'Plan D for Democracy, Dialogue, and Debate,' launched in 2005 following the failure of the Constitutional Treaty. But the ECB has perhaps been the most effective of supranational communicators. It honed its message carefully to persuade citizens and the markets alike that it was always acting within its mandate, even as its interpretation of that mandate shifted radically over time from a very narrow interpretation—as never a lender of last resort with limited possibility for monetary expansion (Blyth 2013)—to an increasingly expansive one—including open monetary transactions in 2012 and quantitative easing beginning in 2015 (Schmidt 2016).

POLITICIZATION AT THE TOP: POLICY *WITH* POLITICS IN EU ACTORS' DYNAMIC INTERACTIONS

Politicization in the EU goes beyond these direct national linkages, having also invaded the inter-institutional dynamics of EU-level decision-making. As integration has deepened, EU actors have become more interdependent, with long-standing relations of cooperation now riven in many domains by greater contestation. Politicization comes through the deeper intensity of interactions among EU actors in political struggles not only over interest-based power and influence but also over which policy ideas are deemed most effective and legitimate. Such politics 'at the top' is particularly manifest in the greater pressure from majoritarian bodies—both the Council and the EP—on non-majoritarian institutions such as the Commission and the ECB to do their bidding. But it is also evident in the ways in which non-majoritarian actors respond, in some cases by attempting to deflect majoritarian attacks, in others by seeking to bring majoritarian actors onto their side.

Most scholars focused on EU decision-making today address this politicization. But their individualized focus means they tend to overlook the overall EU level dynamics of interaction. This section seeks to redress that oversight by using scholars' own theorizations of different individual EU actors to elucidate the collective dynamics of EU interaction. We begin with post-functionalist theorists, but then move on to the intergovernmentalists, the supranationalists, and the 'parliamentarists'.

Post-functionalist scholars' theorizations about the EU's constraining dissensus actually tell us very little about EU level interactions, other than to suggest that politicization at the bottom leads to bottom up constraints on EU actors (Hooghe and Marx 2009). This is because post-functionalism, as Hooghe and Marx (2019) themselves argue, focuses on EU-related national political behavior rather than on EU level institutional actors, which are the subject of debates between intergovernmentalists and supranationalists about which EU actors they deem most influential. The main prediction of post-functionalist theorists is that the constraining dissensus resulting from politicization has forced EU member-state leaders to pay more attention to their national electorates' preferences, to the detriment of deepening EU integration or positive-sum solutions (Hooghe and Marx 2009).

Traditional intergovernmentalist scholars whose approaches theorize hard bargaining or game-theoretic analyses of Council decision-making concur with this negative view of the consequences of national level politicization. Recent illustrations focus on how such politicization led to the hard-bargaining games of chicken in the Greek crisis, pitting German Finance Minister Wolfgang Schäuble against Greek Finance Minister Yanis

Varoufakis (Schimmelfennig 2015). Scholars who add a neo-functionalist component to this approach make a similar point by describing the neo-functionalist dynamics of ‘failing forward’ through which intergovernmental bargaining in the Eurozone crisis has led time and again to incomplete agreements and failed reforms that soon require new intergovernmental bargains (Jones et al., 2015)

Self-described ‘new intergovernmentalist’ scholars who see consensus-seeking deliberation rather than hard-bargaining as the Council’s mode of governance argue instead that politicization has not so much constrained integration as pushed EU member state leaders to govern differently. Since the Maastricht Treaty, they contend, member state leaders have not only decided more in the European Council but have also created *de novo* regulatory bodies outside the main EU institutions, in order to contain if not reduce Commission powers (Puetter 2012; Bickerton et al. 2015). But at the same time, that they find the Council in a political struggle with the Commission to take back control, they also acknowledge that national level (bottom up) politicization has taken its toll. Thus, Hodson and Puetter (2019) argue that although EU member-state leaders have continued to deepen integration, they have done so at the risk of producing a ‘destructive dissensus’. This is because consensus-seeking in the Council leads mainstream member-state leaders to accommodate extreme right populist challenger governments to the detriment of EU norms and values, as in the case of Hungary in the migration crisis along with Poland on rule of law (at least initially).

Scholars who take a supranationalist approach generally dispute (new and old) intergovernmentalists’ views of the Council as having won the political battle for power and authority. They argue instead that although the Council may remain ‘in charge’ of decision-making, in particular in crisis moments, supranational EU actors have become more ‘in control’ in a number of domains as a result of their institutional and/or ideational power (Schmidt 2018). For traditional supranationalists, the Council’s deliberate decision to create *de novo* bodies so as not to increase the Commission’s powers simply enabled a wider range of EU supranational actors—the European Central Bank, the ESM, and other *de novo* bodies—to gain even greater institutional powers of enforcement than in the past, which they then could use to deepen integration via neo-functionalist processes (Niemann and Ioannou 2015; Schmidt 2018). Self-described ‘new’ supranationalists further argue that these same supranational actors have ironically, through the exercise of ideational power, developed and proposed to intergovernmental leaders the policy initiatives they themselves have then been charged to enforce—including the European Semester by the Commission and Banking Union by the ECB (Bauer and Becker 2014; Dehousse 2016; Epstein and Rhodes 2016). In this latter instance, scholars have shown that the ECB has not only become more politically strategic but also more politically interactive ‘at the top,’ in particular by opening up

dialogue with the more powerful governments to gain tacit agreement for politically sensitive departures from orthodox monetary policy (Schmidt 2016)—most notably just prior to ECB President Draghi’s announcement that he would do ‘whatever it takes’ to save the euro (Spiegel 2014).

Even scholars concerned with the European Parliament see it too as an increasingly political actor in the inter-institutional dynamics ‘at the top.’ Although no ‘parliamentarist’ would argue that the EP is either in charge or in control in any domain, such scholars do point to the strategies through which MEPs have sought to gain increasing political influence in EU decision-making (Schmidt 2018). Importantly, politics comes in through the EP’s role in co-decision processes via the ‘trilogues’ with Council and Commission, in which the EP has increasingly pushed its own political agenda (Roederer-Rynning and Greenwood, 2015; Héritier et al. 2016). But even in areas where the EP has had little remit, it has successfully been engaged in ‘politicization by stealth,’ in efforts to extend its power beyond the provisions of the Lisbon Treaty (Meissner and Schoeller, this volume). Finally, the EP’s 2009 successful election push on the *Spitzenkandidat*, in which it insisted that the leader of the majority party be named President of the Commission, created a direct ‘political’ link between the EP and the Commission (Dinan 2015).

Only very recently have scholars started to combine such different theoretical approaches in analyses of the political dynamics of interaction among EU actors. For example, Börzel and Risse (2018) navigate somewhere between intergovernmentalist and post-functionalalist approaches when they contend that in the Eurozone crisis deeper integration was accompanied by depoliticization through rules-based governance whereas in the migration crisis continued politicization came with the impossibility of any depoliticization strategy or of integrating solutions. Schimmelfennig (2018) instead adds a neo-functionalalist corrective to this ‘modified post-functional’ approach when he contends that in the Euro crisis transnational interdependence (via euro membership and the financial markets) and supranational capacities (of the ECB and the Commission) overrode domestic politicization and intergovernmental conflict, neither of which existed in the migration crisis. Finally, Nielsen and Smeets (2018) have argued that rather than constraining environment or contestation among EU actors, it is the multi-agent collaboration of all such actors that better explains the processes of deepening integration, as in the case of the creation of the EU’s banking union

What comes out of this overview of the diverging theoretical approaches to EU governance is that all EU actors are much more engaged with one another through cooperative and/or contestational interactions, in political struggles for institutional power and ideational influence, in particular in response to recent crises. Such

politicization is nowhere more in evidence than in the Eurozone crisis, most notably in the political dynamics of interaction between the Council and the Commission.

POLITICALLY CHARGED GOVERNANCE IN THE EUROZONE CRISIS: THE COUNCIL AND THE COMMISSION

The Eurozone crisis has exacerbated the growing politicization of EU actors' inter-institutional dynamics, with national politicization at the bottom and its concomitant bottom up pressures only adding to the on-going politicization at the top. The greater politicization was in evidence at the inception of the crisis, producing an inadequate response through loan bailout programs for member-states in trouble with rules-based, numbers-targeting oversight of all member-states' finances through the European Semester (Blyth 2013; Brunnermeier et al., 2016). Such politicization only increased over time as EU actors struggled with one another over how to adapt the rules to changing circumstances. This was apparent in the interactions within and between the Council and the Commission, as North-South divisions in the Council led to greater internal political contestation and more testy relations with the Commission, as it sought to introduce greater flexibility in the interpretation of the rules.

The Council

Political contestation in the Council centered on member states' disagreements about which policies would produce the best outcomes in what ways while serving the best interests of their citizens. At the inception of the crisis, the main contest was between Sarkozy and Merkel. The two had very different political-economic visions of what to do. Sarkozy was imbued with France's long-standing statist liberalism, which uses the state's macroeconomic levers to stimulate growth and support individual incomes, whereas Merkel was sustained by Germany's corporate liberalism, and its commitment to preserving the system's fiscal balance while promoting export-led growth (Vail 2018). They also had very different assessments of the urgency of responding to the crisis: while Sarkozy had a clear idea of the risks of market panic and therefore pushed for quick rescue at whatever cost, Merkel resisted doing anything at all (Bastasin 2015).

Pure political calculation was clearly in play, as Merkel delayed action in the hopes that Greece would tighten its own belt sufficiently to calm the markets while allowing her party to win the Nord Rhine Westphalia elections on 9 May 2010—a gross miscalculation. Her concerns were also economic and legal. She was troubled by German bank exposure to Greek debt, especially after having seen how expensive the bailout of HRE (Hypo Real Estate) had been in the 2008 financial crisis (Bastasin 2015,

pp. 15-22) at the same time that she openly worried that the German Constitutional Court might block a Greek bailout on German constitutional grounds. But the overriding considerations remained political, as she insisted that she was not about to agree to a 'transfer union' that would violate her promises to her electorate as well as the legal prescriptions of the treaties (Newman 2015).

But once Merkel finally did agree to a rescue, with a loan bailout for Greece and a loan bailout mechanism for other countries at risk of contagion, she insisted in exchange on reinforcing the rules of the Stability and Growth Pact (SGP), with austerity and structural reforms for countries in trouble, and the reinforcement of the Commission's ability to monitor member state behavior through the European Semester. Support from a coalition including other Northern European countries and the UK enabled German ideas to win the day. Even though Sarkozy had pushed for more positive remedies, he belatedly came on board, relieved that something would finally be done to 'save the euro,' and cognizant that this was also electorally useful for him with his conservative constituency in France (Schild 2013; Crespy and Schmidt 2014).

The result was that the Franco-German duo of 'Merkozy' dominated for the next year and a half, with austerity policies and structural reform the *mot d'ordre*, and little public contestation from other member state leaders. Whether one contends that the Franco-German interaction constituted a *directoire* (Schild 2013) in which Germany predominated (Fabbrini 2013) or a bilateral leadership (Degner and Leuffen 2018), what is clear is that the partnership worked mainly because Germany was able to reconcile French preferences with its own (Schoeller 2018). While Germany got fiscal rigor and the debt brake (enshrined in the Fiscal Compact), France got an element of political discretion in the disciplinary measures. Moreover, the two were largely able to make policy for the Eurozone as a whole, as when they agreed in October 2010 to a permanent bailout fund (the European Stability Mechanism) by 2013, with haircuts for bondholders.

Toward the end of 2011, however, as the EU economy continued to deteriorate while national politics became increasingly volatile—as populist parties grew, incumbent governments were defeated, and weak countries fell like dominoes under market attack—the political dynamics among member state leaders in the Council began changing. Mario Monti, the newly appointed 'technical' Prime Minister went to Brussels as well as to Germany to plead the case for growth; and the Socialist candidate for President of France, François Hollande, took up the rallying cry in his campaign in early 2012. Once elected President, Hollande pushed further for growth in meetings of the European Council, while Monti continued his pressure. The result was a lot more talk of growth—in contrast to the stability discourse—although little was actually done. Nonetheless, political communication had changed, most notably by the staunch supporter of

stability herself, Chancellor Merkel, who now talked of the importance of growth *and* stability. And this was a message taken to heart by the Commission in its oversight function.

Only in 2014 did the discourse change yet again. This time, the new Italian Prime Minister, Matteo Renzi, came to Brussels with demands for greater flexibility in the application of the rules, which was echoed by Hollande. And again, with much hesitation and political contestation from Merkel, flexibility was also added to the discourse, on condition that it remained ‘within the stability rules.’ Here too, the discourse made a difference. It lent support to the Commission, which had been reinterpreting the rules increasingly flexibly since 2012 without admitting it, and which had been under fire for overstepping its authority in doing so from Northern European finance ministers in the Eurogroup (Schmidt 2016).

By the time Emmanuel Macron became French President in 2017, the discourse had shifted to the question of how to complete the Eurozone’s architecture, with the missing elements of the banking union, a Finance Minister with a budget for investment, and more. But Germany hesitated, with Merkel feeling more constrained by internal politics, including the rise of the AfD and challenges from the CSU on migration policy. The upshot was that little progress was made on the intergovernmental front with regard to resolving the continuing vulnerabilities of the Eurozone.

The Commission

Politics has naturally always been present to some extent in Commission dealings with member states in the Council. But it has only been since the mid 2000s that partisan politics has been acknowledged, with the appointment of José Manuel Barroso as President of the Commission because his political ‘color’ reflected that of the majority in the newly elected 2004 EP. But what ‘politics’ means for the Commission has changed over time both within the Presidency of Manuel Barroso (2004-2014) and between it and that of Jean-Claude Juncker (2015-2019). If the Barroso Commission at the onset of the Euro crisis was often seen as a ‘secretariat’ to the Council, by the end of Barroso’s term it was regarded as anything but (Fabbrini 2013). Initially, the Commission’s discourse emphasized strict adherence to the stability rules, with a framing of the crisis as stemming from fiscal profligacy, and demanding that member-states put their houses in order (Warren et al., 2017). By 2013, its practices had changed despite an unchanged discourse as the Commission became increasingly flexible in its judgments on the European Semester, by reinterpreting the rules ‘by stealth’ in order to improve performance (Schmidt 2016).

But however ‘political’ the Barroso Commission may have appeared to members of the Council, the changeover from the Barroso to the Juncker Commission constituted a difference in kind. Institutional as well as discursive transformations were in evidence. Institutionally, Barroso was appointed in 2004 by a Council that took into account the political orientation of the majority. In contrast, Juncker was the choice of a Council that found itself unable to circumvent the EP’s clever campaign to have the *Spitzenkandidat* named as Commission President (Dinan 2015).

The discourse also changed. Barroso went to great lengths to maintain the fiction of an apolitical Commission. Juncker instead announced in the electoral campaign of 2014 that he would be a ‘political’ leader rather than a technical one, meaning political sensitivity to citizen’s political concerns and preferences. The differences in the ‘political’ orientation of the Presidents come out clearly in their discourses. Whereas Barroso’s State of the Union Addresses focused on the ‘rationality’ of EU decisions mainly in terms of economic outputs, Juncker’s were more politically charge, referencing democracy and popular sovereignty (Pansardi and Battezzorre 2018). Moreover, intent on making sure that the Commission was no long seen as ‘the bad guy’ (Zeitlin and Vanhercke 2018: 168), Juncker committed himself to socializing the European Semester while introducing greater flexibility, albeit with more clearly specified ‘rules’ for flexibility. This was to avoid the problems that the Barroso Commission had had with regard to Council complaints about European Semester oversight. Juncker also sought to push the Council further through innovative suggestions for the future of the EU, as in the Five Presidents’ report (Juncker et al. 2015). Finally, his organizational reforms, such as making Vice-Presidents project term leaders and strengthening the role of the Secretariat General, reinforced his powers in relation to an increasingly assertive European Council and a more autonomous European Parliament (Bürgin 2018).

The Commission has naturally had to be sensitive to the Council’s authority, in particular since it can amend its decisions. An example of this is when the Council stopped the Commission’s initiative to put the social indicators it had added to the European Semester on a par with the economic indicators, on the grounds that this would only add to the ways in which the Commission could cite them for violations—or even fine them. But the member-states in the Council were nonetheless “caught in their own rules,” because they had themselves delegated to the Commission the authority to introduce new indicators (Savage and Verdun 2016).

The Commission’s interactions with the Council are complicated by the fact that it may need to take account not only of how the Council might react as a body to its decisions but also how individual or groups of member states may respond, which may pull in opposing directions. Thus, for example, while it had to deal with French President

Hollande's angry outburst against the Commission's 2013 European Semester recommendations on structural reforms of the French pension system on the grounds that: 'The Commission has no right to dictate what we have to do' (*Le Figaro*, May 29, 2013), it also had to pay attention to Northern European countries' increasing opposition to flexibility. This came to a head in 2014, with Germany and Finland making a frontal attack on the Commission in an eight-page memo in which they claimed that the Commission used 'a somewhat arbitrary approach' in granting budgetary flexibility, and went so far as to suggest that 'a separate pair of eyes' was needed to ensure that the rules were properly applied (*Financial Times* 28 February, 2014). Matters were not helped in 2016, when Commission President Juncker quipped, when asked about (again) making exceptions to the rules for France, that it is: 'Because it is France' (Reuters, May 31, 2016). This, naturally, led to accusations by Northern European finance ministers in the Eurogroup and conservative politicians in the Council that the Commission President was playing politics (*Der Spiegel* online, June 17, 2016).

In short, the Commission has to navigate very narrow 'political straits.' On one side they have member states under surveillance, seeking fiscal space for economic growth in order to respond to citizens' demands while reducing their deficits and paying off their debts. On the other, they have member states pushing for stricter and more punitive application of the rules, in response to their own citizens' worries about having to pay the debts of others. Note that not all of this is about national politics from the bottom up, though. It is also about political-economic beliefs centered on which kinds of policies will promote growth, and in what order to reform. After an initial phase of support for rules-based orthodoxy, the Commission has played a leading role in arguing that risk sharing and risk reduction should go together, rather than the former being delayed until sufficient progress is made with the latter. Lines of battle are drawn not just between Northern and Southern European member states in the Council. They also occur also within the Commission itself, with ideational battles carried out using technical charts and graphs, and a 'politics of numbers' determining which countries benefited from calculations with regard, say, to structural deficits or to what counts as debt for a country's balance sheet (Mabbett and Schelkle 2014).

CONCLUSION

Our final question is whether such politicization is a good thing or a bad thing for EU governance. This question has long divided scholars. Those concerned mainly with democratic legitimacy have argued that politicization is a good thing, necessary for European integration to be accepted by national publics (E.g., Hix and Hoyland 2013). Those centered on governance performance instead have seen it as a bad thing, making it increasingly difficult for the EU to produce effective policies because of conflicting

preferences, or even to agree on the benefits of the outcomes (Scharpf 1999). By now, however, in particular since the Eurozone crisis, the refugee crisis, and Brexit, asking whether politicization is a good thing or a bad thing is almost beside the point since, like it or not, it is a ‘thing,’ and here to stay (Hutter et al., 2016; De Wilde and Zürn 2012; Hooghe and Marks 2009).

But if politicization is not going away, our final concern should be to analyze the differential effects of politicization. This is something that cannot be answered in general terms, since each policy area differs as to whether EU and national-level politicization positively or negatively affects citizen perceptions of the EU and its legitimacy.

In the Eurozone crisis, for example, if we were to focus solely on the substance of Eurozone debates, we could argue that the mutual accusations among EU actors are politically delegitimizing—leading arguably to more national EU-related ‘politics *against* policy’. But if instead we were to pay more attention to the discursive processes through which such contestation takes place, we could see a glimmer of hope.

EU governance, so long presented as apolitical and technocratic, as ‘policy *without* politics’, where disagreements were treated in private and deals remained behind closed doors, has changed. Discussions are more politically charged among EU actors, with differences debated in public. And all such actors seek to communicate so as to legitimate their positions directly to citizens. Such greater EU-level public deliberation and debate, however contentious, is in and of itself politically legitimating.

But can the EU-level’s new ‘policy *with* politics,’ with its more politically charged interactions, provide a response to national-level politicization? Not really. While the EU-level may gain in political salience and legitimacy as a result of the enhanced deliberation and contestation, it cannot resolve the problems of democratic responsiveness at the national level. Much the contrary, so long as the negative discourse among EU actors persists, it may further fuel the euro-skeptic populist ‘politics *against* policy’ at the bottom, in particular if the EU’s multiple crises continue without resolution.

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