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Direct democratic opportunities for Europe

As a Swiss Citizens, the European Union may look like a big intransparent political machine that decides from Brussel what the European Citizens have to do and how strong a vacuum cleaner has to be. The different European institutions as the "European Council", the "Council of the European Union" or the "European Parliament" are for an outsider, as the Swiss are, not completely relatable to our political institutions. From this lack of information, the majority of the Swiss people have a reserve, if not a negative attitude towards the EU. This is reinforced by the lack of a voice for citizens, which is so self-evident in Switzerland.

But instead of continuing to seal oneself off as Switzerland, there would be many similarities on closer inspection, and where there are differences in the political systems, there are opportunities to profit from one another. This essay will have a closer look where there are opportunities to profit from the different political systems and it will focus on the feasibility and opportunities of direct democratic aspects in the European Union.

I. Current direct democratic situation in the EU

Europe has a long tradition of direct democracy and is the continent with the greatest experience of citizen participation. Of a total of 1405 national referendums documented worldwide since 1793, 62 percent have been held in Europe. The collapse of socialist countries and their integration into European structures are major drivers of direct democracy in Europe.¹

The first attempts at direct democracy were also made at the transnational level. The European right of initiative is an instrument of participatory democracy that enables European citizens to propose concrete legislative changes. A European Citizens' Initiative enables citizens from different Member States to come together on a subject close to their hearts in order to influence EU policy-making. In order to launch an initiative, 7 EU citizens living in at least 7 different Member States are required. Once an initiative has collected 1 million statements of support and reached the minimum values in at least 7 Member States, the European Commission must decide whether to take action. However, this instrument only leads to voluntary intervention by the European Commission and can be completely ignored by it.²

Although Europe enjoys a great experience in direct democracy, the political reality in the EU is different. Apart from the voluntary European Citizens' Initiative, there is no possibility for transnational political participation by citizens.

Integration in the EU is equated with increasing centralism, which is contrary to direct democracy. Instead of defining common goals regarding prosperity, peace or freedom, an increasing number of central state regulations are prescribed.³

Since the 1980s, the European Union has focused increasingly on growing together. The institutes of the Union are increasingly equating the unification of the European countries with

¹ Zóltan Tibor. Pállinger, *Direct Democracy in Europe Developments and Prospects* (Wiesbaden: VS Verlag Für Sozialwissenschaften, 2007), 9.

² Europäische Kommission, "Was Ist Eine Europäische Bürgerinitiative?" Basic Facts - European Citizens' Initiative - European Commission, January 04, 2012, accessed June 14, 2019, <http://ec.europa.eu/citizens-initiative/public/basic-facts>.

³ Jean-Claude Juncker, "Completing Europe's Economic and Monetary Union," 2015, 2.

standardization. This has the effect that regional peculiarities are assessed by the authorities as damaging to the market or as disruptive factors. More and more attempts are being made to eradicate these peculiarities and to give Brussels more decision-making powers.⁴

The fact that Eurogroup leader Jeroen Dijsselbloem says the doors to further talks have been closed to a Greek government announcement of a referendum shows how the European Union stands by direct democracy.⁵

The problems arising from this centralism are manifold. The German journalist Henryk M. Broder even goes so far as to say that the European Union is not threatened by European critics, but by the European institutions, which are working towards further centralisation. Regulations such as the ban on incandescent lamps or the EU standard for vacuum cleaners are causing many EU citizens to reject Brussels. The huge administrative budget of 62 billion euros is responsible for further discontent among the population.⁶

National governments can also set up unnecessary regulations or deal with huge administrative budgets, the regional proximity and the greater value of their own vote in elections, but make this more bearable for many citizens. In the EU founding countries France and Italy, confidence in Brussels is only one third.⁷

II. Benefits of direct democracy in the example of Switzerland

In Switzerland, too, there is a difference in the form of direct democracy between the individual cities and municipalities. Since Switzerland is strongly federalist, it is up to the municipalities

⁴ Dieter Grimm, "Die Stärke Der EU Liegt in Einer Klugen Begrenzung" Frankfurter Allgemeine Zeitung, 2014.

⁵ Jan Strupczewski, "Greece Has 'closed Door' on Further Talks: Eurogroup's Dijsselbloem," Reuters, June 27, 2015, accessed June 16, 2019, <https://www.reuters.com/article/us-eurozone-greece-dijsselbloem/greece-has-closed-door-on-further-talks-eurogroups-dijsselbloem-idUSKBN0P70GM20150627>.

⁶ Peter Schuster, "Kritik an EU-Zentralismus," Schwäbisches Tagblatt, June 16, 2019, accessed June 16, 2019, <https://www.tagblatt.de/Nachrichten/Kritik-an-EU-Zentralismus-96685.html>.

⁷ Heidemarie Pütz, "Zehn Fakten Rund Um Das EU-Parlament Und Seine Wahl," Bayerische Staatszeitung, accessed June 17, 2019.

themselves to decide how much citizens have a say in issues such as budget planning. This allows comparisons to be made between municipalities with large direct democracy and those without, in order to identify the advantages. From a liberal point of view, one easily quantifiable indicator is budget development. The excessive administrative growth is an instance of maladministration often criticised by liberals. A study carried out in 1978 evaluated data from the 110 largest Swiss cities to measure budget development. It showed that in cities with a more pronounced direct democracy, the budgets were more in line with the satisfaction of the population. In a period of 10 years, 1965 to 1975, the budget growth of the municipalities led by direct democracy amounted to 6.8 percent. On the other hand, the other municipalities grew by 9.6 percent. That is a saving of 40%.⁸

Another positive characteristic of direct democracy seems to be tax morality. In a 2002 study, L.P. FELD and B.S. FREY demonstrated that the greater the say of citizens in a county, the fewer taxes are evaded. This result suggests that citizens in a directly democratically governed county are more satisfied with the public services offered, and this with a lower administrative budget for the county. According to this, direct democracy leads to greater administrative efficiency.⁹

The higher satisfaction with the general living situation in cities governed by direct democracy was also proven by a study. This is probably due to the higher efficiency of public administration and the better performance of public services.¹⁰

Finally, I would like to refer to the studies on the influence of direct democracy on economic performance. This has been evaluated between different counties on the basis of your GDP. In the period from 1984 to 1993, the data showed that counties governed by direct democracy were able to generate 5 percent higher GDP per capita. The obvious assumption that causality goes in the

⁸ Schneider, F., and W. Pommerehne. "Macroeconomia Della Crescita in Disequilibrio E Settore Pubblico in Espansione: Il Peso Delle Differenze Istituzionali." *Rivista Internazionale Di Scienze Economiche E Commerciali* 33, 1983, 306-420.

⁹ Feld, Lars P., and Bruno S. Frey. "Trust Breeds Trust: How Taxpayers Are Treated." *Economics of Governance* 3, no. 2 (2002): 87-99.

¹⁰ Frey, Bruno S., and Alois Alois Stutzer Stutzer. "Happiness, Economy and Institutions." *Economic Journal* 110, 2000, 918-38.

opposite direction and that more successful counties tend towards more direct democracy was also examined and could be ruled out.¹¹

In conclusion, there is a wide variety of papers that are proving the benefits of direct democracy. In the important key figures for a government, it turned out that direct democratic governed counties achieved better results. Overall the population was happier the more say they had in the political matter.

III. Possibility of direct democracy in the EU

Implementing direct democracy analogous to Switzerland in the EU would be an extensive and difficult undertaking. While Switzerland has many years of experience and history in having a say for the people, direct democracy at the transnational level is largely unexplored.

Switzerland has known instruments of direct democracy since 1618. In a letter from the monastery of Graubünden, the form of government is mentioned as an alternative to monarchy and aristocracy. The foundation stone for this was probably laid in the free communities governed by citizens, where the population could decide on the enactment of new laws.¹²

These 400 years of experience have led to a pronounced understanding of democracy among the Swiss population. With the responsibility came the commitment to deal with political issues and to make conscious decisions. So it comes as no surprise that the Swiss vernacular says that dealing with political issues is a civic duty.

One consideration with regard to direct democracy is that an introduction in the European Union would lead to discriminatory decisions. This is due to the Europeans' lack of experience with direct democracy. During my studies abroad in London, I was repeatedly confronted with such concerns.

¹¹ Feld, Lars P., and Marcel R. Savioz. "Direct Democracy Matters for Economic Performance: An Empirical Investigation." *Kyklos* 50, no. 4 (1997): 507-38.

¹² Nzz. "Wie Sich Die «Demokrätler» Durchsetzten | NZZ." *Neue Zürcher Zeitung*. October 11, 2002. Accessed June 16, 2019. <https://www.nzz.ch/article7k8o2-1.430987>.

Brexit, in particular, was chosen as a negative example. A step-by-step introduction to the direct-democratic instruments would, therefore, be worth examining from my point of view.

Switzerland has a large number of democratic instruments and forms of them at its disposal, and these vary from municipality to municipality. However, the two most important forms are the popular initiative and the referendum. With the popular initiative, the population is given the opportunity to make the Swiss parliament binding to draw up law and with the referendum, a draft law of parliament can be rejected.

My proposal on the liberal vision of Europe would be to introduce the right of the referendum at the European level. The instrument of the referendum can be used to accustom the European population to the direct-democratic instruments, without giving you the opportunity to enact discriminatory laws. Instead, the referendum right leads to a decrease in new laws and to a more careful examination by the European Parliament of the draft laws. From a liberal point of view, this can only be advocated.

Since the European Parliament wants to prevent its own laws from being rejected by the people, broader majorities are sought in Parliament and the laws are prepared more carefully. This would prevent any rushing forward against popular opinion, as with there was with the copyright protection law.

The question arises as to the appropriate quorum. In Switzerland, a national referendum requires 50,000 Swiss voters, with a total number of voters of 5.4 million.¹³ However, this can only be compared to a vote on a transnational level to a limited extent. The quorum for a European Citizens' Initiative seems more suitable for this. If one considers the ratio in Switzerland between popular initiative and referendum of 2:1 signatures required, it would be reasonable to set the quorum at half of the signatures required for a European Citizens' Initiative. This would mean that 500,000 signatures would be needed to bring about a vote.

¹³ Statistik, Bundesamt Für. "Stimmbeteiligung." Bundesamt Für Statistik. Accessed June 16, 2019. <https://www.bfs.admin.ch/bfs/de/home/statistiken/politik/abstimmungen/stimmbeteiligung.html>.

This referendum opportunity would give the European people the opportunity to familiarise themselves with direct-democratic instruments and give the European Union the benefits of this form of government. The European Union could thus hope for a leaner administration, happier citizens and a successful economy.

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