CONFERENCE

European Governance: from the Lisbon Treaty to the Fiscal Compact
The Effects of the European economic and political integration on National System

Franco Murer – “Ratto d’Europa”, kindly granted by the Author

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National Research Council – Marconi Room
Piazzale Aldo Moro, 7
Rome

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PRESENTATION MEMO

On the occasion of the Italian semester of the EU Presidency we intend to focus on both the innovations of the European regulatory framework and the effects that the latter has on the national legal systems also in order to verify how effectively the national law adapts to it and assess how the European regulatory framework affects national policies and in particular Constitutional Act no. 1/2012.

The primary aim of the process of European unification was to create a political union to ensure peace and promote a high level of economic and social development (the “European social model”) even in a globalized world, where Member States risk losing their identity and sovereignty. But this goal proved to be too ambitious and so a piecemeal approach was adopted by unifying the European market at first and then the currency. According to this vision, under the thrust of the economy and of finance, political unification was to inevitably follow.

When the crisis broke out in the United States and spilled over into Europe, the governance of the European economy and even the institutional structure of the European Union began to show its weaknesses. A lack of confidence affected European banks and then the governments. The contradictions of the European architecture emerged and the weaker countries were exposed to speculative attacks and tensions. The EBC intervened to enhance liquidity and protect stability thus offsetting the risk of damaging the EMU, but the recession has been long and intense.

In Italy the economic crisis was likened to the Great Depression of the United States, but the economic data have proved it to be even worse.

Two main interpretations have been provided to explain these events that to some extent reflect the different approaches of Member States. According to the first, the cause of the economic difficulties is the high level of indebtedness whereas the austerity policies adopted to stabilise public finances are the solution, in spite of the fact that the recession makes them pro-cyclical. According to the second interpretation, the problem is constituted by the very nature of the monetary union, implemented in Countries having deep structural differences and low labour mobility, and upheld by a governance that is excessively contradictory and weak. According to this viewpoint, the austerity policies are seen to be the reason for the worsening of the recession.

In recent years, the European Commission’s most farsighted document was probably “A blueprint for a deep and genuine economic and monetary union. Launching a European Debate” (30.11.2012) that outlines the future of the Union. This document recommends the gradual improvement of economic governance through the banking union and stronger coordination of fiscal policies. It also takes into account the growth issue and acknowledges the existence of the ‘representation’ problem. As regards the economic dimension, one purpose of the Communication is to accelerate structural reforms, that is to say redefine the socio-economic systems in order to ensure greater competitiveness.

All this, together with its political, social and distributive consequences, is considered to be the preliminary phase that is to be completed before broaching the issue of political union, that is seen to be the last step in the process of full integration.
It is only in the longer term (5 years) that the European Union is expected to reach an appropriate level of “democratic legitimacy and accountability of decision-making” (together with full banking, fiscal and economic union and the possibility of issuing stability bonds). But it is difficult to accept giving up so much sovereignty, for such an extended period of time, without a corresponding improvement in the democratic processes of the European Institutions, and with the main question being who is it that will take on the sovereignty that the States are expected to yield. Is it truly enough to transpose into the national legislation, and into the Constitution, the principle of a balanced budget, or the endorsement by national Parliaments “under national procedures” of “more detailed measures which the Member State commits to implement” (Blue Print)? The representation issue is now on the floor. Not only because the crisis is inducing citizens to become hostile towards European policies, as emerges from the statements of the anti-European forces at the recent elections last May, but also because the technical and neutral nature of the decisions taken by European bodies and by the Troika have been questioned, while the far-reaching political impact of these decisions is quite clear. After a critical analysis of the innovations introduced by the Lisbon Treaty and by the legislation on economic governance across the European Union, it is quite desirable, at the national level, to reflect on the impact of the introduction of the principle of a balanced budget into the Constitution and on the impact of all the subsequent implementing legislation of this principle. We need to identify the critical profiles of the domestic legislation for implementing the European economic governance: in particular, the limitations arising from the adaptation to European legislation in the field of economic governance as well as the new participation opportunities of Parliaments, Regions and Autonomous Provinces in the process of producing European legislation and policies. The Lisbon Treaty embodied most of the technical solutions that had been presented in the Treaty establishing a Constitution for Europe, and confirmed the institutional framework of the European Union. In particular, special emphasis is devoted to the strengthening of the role of the European Parliament in the decision-making process, the new role of national Parliaments, and the greater recognition of sub-national Bodies within the European multi-level system. These innovations have stimulated a wide-ranging debate both at European and national levels: in particular, the discussion has focused on the implementation of democratic participation through a constant involvement of national parliaments in the EU system and by strengthening the role of the European Parliament. Later the EU legislation on economic governance introduced rules designed to limit the effects of the economic crisis so as to ensure stability for the Euro. These rules soon proved to be very invasive for the autonomy of Member States; they have given rise to a Eurocentric system that significantly restricts the scope of national policies aimed at fighting against the economic crisis. The problem facing national governments is the balancing of stability requirements against the challenges of growth and employment that are among the main goals of the Europe 2020 strategy.
Each Member State has started the process for adapting its domestic legislation to the EU law in accordance and in keeping with the rules and regulations of its legal system. In many cases, the issues at hand have been so important that procedures have had to be adopted to make sure that the European rules are consistent with national Constitutions. As regards Italy, the need to speed up the transposition process and make it more efficient, together with the innovations introduced by Lisbon Treaty, have led to the approval of Act no. 234/2012 “General rules on Italy’s participation in the forming and implementation of European laws and policies”. Moreover, the new system of European economic governance, expressly linked to the balanced budget principle, has required interventions to adjust the domestic legal system accomplished by Constitutional Law no. 1/2012 and the subsequent implementation acts. This new regulatory framework significantly affects the national political agenda, determining both its direction and deadlines.

In this context, it is crucial to examine the following points: the new legal system, as it is being shaped at the national level; the limitations arising from European regulations on economic governance; the efficacy of the new instruments for the periodical adaptation of the domestic legal system to the European system; and the need to coordinate the institutional bodies involved in the definition of the position that Italy is to adopt at European level.

In particular, at the Conference we will be focusing on: the limitations arising from the implementation of the constitutional principle of a balanced budget; the mechanisms enabling National Parliament and Regional Councils to participate in the political dialogue and in the supervision of the principle of subsidiarity to make sure it is correctly applied; the instruments enabling Italy to participate in the framing and enforcement of European legislation and policies; and the fundamental issue of the possible strategies to be adopted to ensure the growth of the Italian economy in the new European and international framework.

From the methodological standpoint, we expect a broad participation in the Conference sessions with a specific and thorough discussion on each of the topics dealt with in the presentations.
CONFERENCE PROGRAM

European Governance: the Lisbon Treaty and the Fiscal Compact
The Effects of the European economic and political integration on the National System

29 October 2014 (Wednesday)

15:00-15:45
Chair
Eros Brega – President of the Conference of Presidents of Legislative Assemblies of the Regions and Autonomous Provinces

Welcoming speech
Maria Cristina Messa – Vice President of the National Research Council (CNR)

Speakers
Vannino Chiti – President of Senate Commission XIV-European Union Policies
Sandro Gozi – Undersecretary with responsibility for European Affairs
Maria Carmela Lanzetta – Minister of Regional Affairs, Autonomy and Sport

15:45-17:30

PRESENTATION
TREATY ON THE EUROPEAN UNION – COMMENTARY
Eds. Hermann-Josef Blanke & Stelio Mangiameli
Heidelberg – Springer, 2013

Chair
Giuliano Amato – Constitutional Judge

Discussant
Franco Bassanini – President of the Astrid Foundation
Antonio D’Atena – President of the Italian Association of Constitutionalists
Luciano Violante – President of the Italiadecide Association
17:30-19:00

ROUND TABLE
ECONOMIC GOVERNANCE AND REPRESENTATION, FROM THE FISCAL COMPACT TO THE “BLUE PRINT”

Chair and Introductory speech
Gaetano Silvestri – President Emeritus of the Constitutional Court

Discussant
Gian Luigi Tosato – “Sapienza” University - Rome
Robert Leonardi – School of Government LUISS Guido Carli
Paola Bilancia – University of Milan
Maurizio Franzini – “Sapienza” University - Rome
Onofrio Introna – President of the Puglia Regional Council
Franco Iacop – President of the Friuli Venezia Giulia Regional Council
Clodovaldo Ruffato – President of the Veneto Regional Council

30 October 2014 (Thursday)

1st WORKING SESSION
EUROPEAN INSTITUTIONAL STRUCTURE AND PROCEDURES FOR ITALY’S PARTICIPATION IN THE DECISION-MAKING PROCESS

9:30
Chair
Raffaele Cattaneo – President of the Lombardia Regional Council

9:30-10:00
1. The functioning of the European Union under the Lisbon Treaty and after the Fiscal Compact
   Antonio Brancasi – University of Florence

10:00-10:15
Discussion

10:15-10:45
2. Going beyond the Multilevel Theory in the relationships among Europe, the Member States and sub-national levels of government
   Antonio Cantaro – University of Urbino
10:45-11:00
Discussion

11:00-11:15
Coffee break

11:15-11:45
3. Tools and procedures for Italy’s participation in the European decision-making process: the system outlined by Act 234/2012 and by the regional laws
   Antonino Iacoviello – ISSiRFA-CNR

11:45-12:00
Discussion

12:00-12:30
   Andrea Manzella – School of Government LUISS Guido Carli

12:30-12:45
Discussion

12:45-13:15
5. The European system of parties and political integration
   Adriana Ciancio – University of Catania

13:15-13:30
Discussion

13:30-14:30
Lunch

II\textsuperscript{nd} WORKING SESSION
EUROPEAN RESTRAINTS IN THE DEFINITION OF NATIONAL POLICIES AND THE REMAINING NATIONAL SOVEREIGNTY

14:30
Chair
Piero Lacorazza – President of the Basilicata Regional Council

14:30-15:00
1. The impact of European policies on domestic law: a chain reaction on the organization and functioning of the State.
   Enzo Di Salvatore – University of Teramo
15:00-15:15
Discussion

15:15-15:45
2. The principle of a balanced budget in Italian law: a suitable choice?
   Paolo De Ioanna – State Council

15:45-16:00
Discussion

16:00-16:30
3. Public Finance and strategies to trigger growth in Italy
   Gustavo Piga – “Tor Vergata” University - Rome

16:30-16:45
Discussion

16:45-17:00
Coffee break

17:00-17:30
4. The failure of the recent European economic policies and the questioned structural reforms
   Stefania Gabriele – ISSiRFA-CNR

17:30-17:45
Discussion

17:45-18:15
5. The Constitutional sovereignty of Member States and European constraints. The difficult path to political integration
   Stelio Mangiameli – Director of ISSiRFA-CNR

18:15-18:30
Discussion and Final remarks