

The Democratic Deficit and EU Institutions after Crises

Improvement or Deterioration

DEMOCRACY VERSUS AUTOCRACY. WHY THE DEMOCRATIC SYSTEM IS SUPERIOR AND HOW IT CAN DEFEAT AUTOCRACY

THE DEMOCRATIC DEFICIT AND EU INSTITUTION AFTER CRISES IMPROVEMENT OR STALEMATE

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EXECUTIVE SUMMARY

The European Union (EU) has undergone a variety of crises in the last decade, with the main ones in terms of financial measures being the Eurozone financial crisis and now the COVID-19 pandemic. To effectively address the consequences of each of these, a number of changes in the modus operandi of the EU – primarily in relation to its institutions – have been adopted. This has, inevitably, impacted the way democracy operates at the EU level as well. The aim of this research is to examine this impact using the conceptualization of the EU democratic deficit, in order to assess whether democratic governance within the EU has improved or has been adversely impacted by these changes. It is found that the measures adopted by the EU during crises have had a largely adverse impact on EU democratic governance. Improvements are necessary to strengthen primarily the participatory and inclusionary aspects of democratic policy-making, to which end policy suggestions are provided in the concluding section, based on the findings of the research.

Social Media summary

EU measures during crises weakened democratic governance, making changes necessary to enhance democracy.

Keywords

#democracy #crisis #EU #COVID-19 #Eurozone

Short bio

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TABLE OF ACRONYMS

CEU	Council of the European Union
EC	European Commission
ECB	European Central Bank
EFSM	European Financial Stability Mechanism
EFSF SA	European Financial Stability Facility Societe Anonyme
ESA	European Supervisory Authority
ESM	European Stability Mechanism
EP	European Parliament
EU	European Union
EUCO	European Council
EURI	European Union Recovery Instrument
IMF	International Monetary Fund
MTFA	Medium-Term Financial Assistance
QMV	Qualified Majority Voting
RECOVER	Recovery and Resilience Task Force
RRF	Recovery and Resilience Facility
TSCG	Treaty on Stability, Coordination, and Governance
WHO	World Health Organization

Introduction

The European Union (EU) is undoubtedly a *sui generis* organization. As such, it has always attracted both the regular and academic ‘spotlight’. One of the main reasons is the fact that it is a unique case of regional integration. No other organization compares to it; simply put, the EU is in the middle of a traditional, exclusively intergovernmental international organization and a fully developed (federal) state. Because of the unique nature of the EU, one of the most important elements that has been analysed especially after the 1980s, is the impact it has on the democratic process. This became another theoretical field in which the EU politics field has contributed, precisely because no other international organization or state affects democracy in the way that the EU does. In turn, this impact is transferred directly to the lives of EU citizens.

From 2010 onwards, the EU has been also suffering from a number of – arguably existential – crises, with the primary two, at least from a financial and integration perspectives, being the Eurozone financial crisis, and, most recently, the COVID-19 pandemic crisis. To address these crises, the EU assumed a number of policy measures that have considerably impacted the very core of the balance of decision-making power between the EU, its member states, and EU citizens, often affecting the very nature of the EU. One of the most important areas these measures have impacted is democratic governance at the supranational level.

The aim of this paper is to examine the impact of measures adopted during the aforementioned crises, with a particular emphasis on the Eurozone financial crisis, which has been, after all, the longest one (from 2009 until at least 2018), on democratic governance within the EU. As a *sui generis* entity, democratic standards as most often utilized for the national level are not directly applicable to the EU. The EU democratic deficit, with its three approaches of Input, Output and Throughput, albeit not a theory in itself per se, is the analytical ‘lens’ through which the democratic processes within the EU (at the EU level) have often been seen in the largest part of the literature; and is arguably the most comprehensive one. While this offers valuable insights, a thematic-based reorganization of the elements of the three approaches is conducted, in an attempt at offering a more evaluative-friendly structure to examine the impact of the measures on the deficit.

EU Democratic Deficit

Overview: The Three Approaches

The first use of the term ‘democratic deficit’ in academia to describe deficient democratic process in the EU was by British political scientist and Professor David Marquand in his 1979 book *Parliament for Europe* (e.g., 64-65), throughout which he presented arguments mainly related to the need for an increase in the role of the EP within the EU construct (Devuyst 2008, 254; Meny 2002, 8). Weiler et al. (1995) were also of the first to put forward the concept of “the ‘Democratic Deficit’ of the Community,” offering what they termed the ‘standard version’ of its definition, according to which the problem is the transfer of “many, and increasingly important, government functions [...] to ‘Brussels’ (and) [...] within the exclusive or concurrent responsibility of the Community and the Union” (what they termed as ‘inverted regionalism’ and “its delegitimization effect;” 6-7).

The literature on the argued deficit of democracy throughout the EU is substantial, having begun since the 1970s and peaking during the 1980s (on account of the Single European Act) and again during the 2010s (on account of the Eurozone crisis; Schmidt 2013, 2; Hix 2008, 67). Of particular attention has been the expanding nature and specialization of the EU in its decision-making capacity. As Schmidt (2006) argues “national executives [...] have delegated to a range of EU institutions authority over policy areas that used to be sovereignty-defining tasks of the nation-state...” (55). Hence, there are concerns raised in terms of “bureaucratic despotism” (Moravcsik 2002, 606).

There are three different approaches to the EU democratic deficit. The distinction between Input and Output – the two more traditional approaches – first originated in the work of noted scholar Fritz Scharpf, (Scharpf 1999, 6). Throughput has been a more recent addition, primarily developed by noted scholar Vivien Schmidt

In the Output approach, the main argument is that more ‘democratization’ of the EU would lead to less efficiency, an element which is, as it is argued, the most primary purpose of the EU (Moravcsik 2008, 340). The existence of a democratic deficit, chiefly involving lack of citizen input, in EU decision-making processes is not

denied per se, but it is suggested that whether by design or effect, this input can and should be sacrificed to achieve the desired Output. Proponents of this approach further argue that, not only would increasing input lead to less efficiency, but also that it “would almost likely undermine... popularity and trust without generating greater public accountability” (Moravcsik 2008, 340). As such, the EU is argued to be an organization of a highly technical nature – a regulatory agent (e.g., Bredt 2011, 41) – lacking decision-making capacity on redistributive policies that have high threshold requirements for citizen input, such taxes or social welfare (Moravcsik 2002, 607-8 and 2008, 333). Instead, it is argued that issues on which the EU has competence over, exactly because of their highly technical character, are not electorally salient, i.e., the public was never expected to, and is not interested in deciding on technical issues (Majone 2010, 157; Hobolt 2012, 90).

Proponents of the Output approach also argue that further democratization is unnecessary not only because of the nature of policies impacted by the EU, but also because the accountability obtained through the indirect representation of EU citizens via their governments at the EU level is sufficient and effective (Moravcsik 2002, 607 and 2008, 334-6). Similarly, Scharpf (2009) suggests that even under Qualified Majority Voting (QMV), “consensus-seeking practices are so effective, that politically salient national interests that are vigorously defended by the respective governments are rarely overruled” (182). In any case, usually EU policies are highly fragmented, hence offering a wide variety of alternatives for member states who may not wish to participate, and the EU-level policy proves to have many checks and balances (Moravcsik 2002, 609).

The Input approach seems more concurrent with the republican tradition of democracy, recognizing the value of the output of policies but, at the same time, placing the primary emphasis on the input of citizens which is necessary to produce the proper outputs (Scharpf 2009, 188). Proponents of this approach advocate for the application of the same standards of democratic governance to the EU as those applied to member states (Follesdal 2006, 443). The main argument of this approach can be encapsulated in the phrase “democratic legitimacy does not stem from the aggregation of the preferences of all, but from the deliberation of all” (Eriksen & Fossum 2000a, 18). Decision-making based on deliberation and consensus, subject to party and policy competition, are all key elements of the democratic system, regardless of the level in which this system exists (Follesdal & Hix 2006, 549-51).

Proponents of the Input approach further argue that the EU has developed considerably from its original nature as a mere facilitator, gaining the ability to influence virtually all policy areas of the national level (at different degrees). As such, the EU has now come to affect a wide range of redistributive policies moving away from a purely Pareto-optimal system, which, in turn, makes effective citizen input of great importance in ensuring the quality of democratic governance (Follesdal & Hix 2006, 543-552). Even if the EU is supposed to produce policies that are highly technocratic and beneficial to EU citizens (as the proponents of the Output approach suggest), it is argued that their preferences are not fixed and, so, in either case, participation would be required in order to determine those preference, in which case additional input by citizens would also ensure that the EU policy-making structure remains responsive to the needs of citizens (Follesdal & Hix 2006, 545-9; Auberger & Iszkowski 2007, 274). Indirect accountability is argued to be insufficient in maintaining responsiveness of policies, since due to voting procedures (e.g., QMV), etc., it is rather limited at the EU level: a government could have voted in accordance with the preferences of its electorate at the Council of the EU (CEU), and a different outcome for the entire EU, which would include that specific electorate, could still be decided.

It is additionally argued that independent technocratic institutions are not necessarily or automatically better equipped or more objective in producing effective policies compared to majoritarian-based institutions (Bellamy 2006, 737). In fact, they can be even more prone to influence by lobbies or interests, or may often simply “overlook issues that are legitimate worries for ordinary folk” (Bellamy 2006, 740; Follesdal & Hix 2006, 546). The benefits of insulating some institutions from representative or majoritarian influence within the modern democratic system is recognized, but it is argued that those would have to be limited, both in number and purpose, and would enjoy sufficient justification for such insulation (Follesdal & Hix 2006, 542-3).

Finally, there is the Throughput approach, which is a later addition to the EU democratic deficit scholarship and “covers what goes on in between the input and the Output” (Schmidt 2013, 14). The approach essentially focuses on the processes of the EU decision-making mechanisms, and their quality. As Schmidt (2013) highlights, Throughput “is process-oriented, and based on the interactions – institutional and constructive – of all actors engaged in EU governance” (5; also

Schmidt 2016, 1033). It “focuses on the quality of the governance processes of the EU,” emphasizing institutions’ efficacy, accountability, inclusiveness, transparency, and openness, analysed in terms of either their outcomes or their ideational perspective, i.e., their more constructivist aspect (Schmidt 2013, 5-8 and 2016, 1033). Throughput includes the following four basic elements: efficiency of decision-making processes, accountability of actors involved in those processes, transparency of information, and inclusiveness to deliberation and consultation (civil society; Schmidt 2013, 6-8). These elements are based on institutional and constructivist perspectives to EU decision-making. The former places emphasis on efficiency, transparency and accountability, as well as “the intermediation processes through which citizens organized in interest groups have a direct influence on policy making,” based on pluralist and associated-democracy theoretical approaches (e.g., Robert Dahl; Schmidt 2013, 15). An example is the European Commission’s (EC) recent (post-1990s) attempts to include civil society (special interests, activists, etc.) to its policy making (Schmidt 2013, 15). The later (constructivist perspective) places emphasis on the deliberative aspect of the decision-making processes, highlighting that they can be “a ‘counter-steering mechanism’ ensuring that citizens’ community power is adequately channelled in societal and administrative decision making, thereby improving accountability” (one example is the comitology consultative process of the EC; Schmidt 2013, 17).

Evaluative Framework

Considering all the aforementioned elements, in order to evaluate the impact of the crisis on the EU democratic deficit, and drawing from contributions of existing approaches, a set of qualitative thematic areas can be proposed through a reorganization of the relevant democratic deficit scholarship to identify common themes across the three deficit approaches (Input, Output, Throughput), as those have been outlined above.

Across all three approaches, a major area of analysis is the ability of EU institutions, and the EU level more generally, to affect electorally salient national policy areas with redistributive effects that are oftentimes of a sensitive nature for member states (e.g., taxation or defense). Input scholars argue that this has become the norm, while Output scholars that this is not the case and that, in fact, member

states would be highly unwilling to ever allow this to happen. Within this area, there are two major points of focus. The first, and most obvious one, is the number and type of policies that the EU has authority over. There is a second point of focus, however, that is less apparent: the level and conditions of delegation involved in this process. This focuses on the process aspect of EU policy-making, and hence is related more to the Throughput approach, as well as the argument of the Output approach that indirect democratic oversight through relevant channels at the national level (e.g., during elections, the EU policy-making of a national government can be properly sanctioned or rewarded by citizens of a member state). In other words, it is not sufficient to examine whether the EU has acquired capacity over more policy areas, and the redistributive nature (or lack thereof) of these areas, but rather the process under which this capacity has been acquired, and the conditions of delegation involved either from the national to the EU level or between different institutions at the EU level, must also be analyzed. This is an issue that directly affects the way policy is made, and, thus, is pivotal in determining how crises measures impact the democratic deficit.

Another major area of focus across the three approaches is the influence of majoritarian or representative institutions, either in the decision-making or policy-implementation stages. This builds directly on each approach's arguments related to the first area of focus (above). Input and Output scholars focus primarily on the role of the European Parliament (EP) and EU elections. The former argue that the EP has a very limited ability to substantially impact policy-making, especially when compared to the increased ability of other, technocratic, non-representative EU institutions, such as the EC and the European Central Bank (ECB) and that EU elections are considered second-order compared to national ones. These adversely impact the input that EU citizens can have, and creates a non-competitive policy environment that has limited or no policy alternatives from which to choose. This is considered unacceptable, especially considering the argued augment in the ability of the EU to affect electorally salient and redistributive policy areas (above). The scholars of the latter approach suggest that, while the observations related to the EP and EU elections may be valid, an increase in their policy-making capacity and electoral salience would not only be pointless, since the EU does not affect redistributive policies and member states would be unwilling to permit that to happen (above), but could adversely impact on the argued Pareto-optimality and

compromising nature of EU policy-making, which is argued to be the primary purpose of the EU.

The third major area of focus is the direction of EU policy-making. Here, the Input approach includes arguments related to the one-sidedness of EU policies, including a mostly neoliberal mix, coupled with increased absence of alternatives (above). This is argued to result in a failure of the EU to promote or sufficiently defend a social policy model, which could otherwise lead to improvement in legitimacy. Conversely, Output scholars argue that the EU does effectively protect the social, economic, and sometimes even political, interests of its citizens, which can compensate for the lack of effective indirect, national level-based, democratic oversight. In either case, it is argued that EU technocratic institutions are both better equipped (considering the intensely technocratic nature of EU-affected policies) and more protective of EU citizens, as they are more transparent and more impartial compared to majoritarian or representative institutions. This also touches on the Throughput approach, in terms of the transparency and impartial nature of EU institutions.

EU crises and the Democratic Deficit

The Eurozone crisis

Perhaps the most extensive crisis that the EU has undergone, deeply affecting its financial core – the Eurozone – has been the financial crisis lasting from 2009 until at least 2018. The Eurozone crisis was directly preceded by the 2007-2008 financial crisis in the USA, which involved a ‘credit crunch’ caused primarily by a withdrawal of investment from the Asset-Backed Securities; chiefly subprime mortgages. The crisis within the EU took the form of a banking and, later, sovereign debt crisis (Murray-Brown & Dennis 2008; Kyriakidis 2016b, 2019). Hungary, Latvia and Romania became the first EU (though non-Eurozone) member states to request financial assistance, which was provided, on the EU’s side, through the Medium-Term Financial Assistance mechanism (MTFA), and were followed, in an unprecedented move, by 5 Eurozone member states: Greece, Ireland, Portugal, Spain, and Cyprus, all of which received financial assistance through combined EU-International Monetary Fund (IMF) support. All financial assistance programs were

accompanied by a structural adjustment policies' programme, in which the policy conditionality for the assistance was outlined.

To counter this crisis, the EU adopted two categories of measures: those geared towards providing financial assistance conditional upon implementation of structural adjustment policies, and those geared towards enhancing economic coordination within the EU and the Eurozone. The latter category included the European Financial Stability Mechanism (EFSM ; assistance of up to 60 billion euro to all EU member states), the European Financial Stability Facility (EFSF SA ; assistance of up to 440 billion euro only to Eurozone member states), and the European Stability Mechanism (ESM ; assistance of up to 500 billion euro only to Eurozone member states), which replaced the EFSF SA as the permanent financial assistance mechanism for the Eurozone, and their financial assistance programs implemented in various member states, while the latter category included the Six-Pack, the Two-Pack, the Euro Plus Pact, the Treaty on Stability, Coordination and Governance (TSCG), the European Supervisory Authorities (ESAs), and the Banking Union (EFSF SA 2011a, 2011b ; ESM 2012 ; CEU 2010, 2011a, 2011b, 2012g, 2013, 2018; EP & CEU 2011a, 2011b, 2011c, 2011d, 2011e, 2011f, 2011g, 2011h, 2013a, 2013b, 2013c, 2013d, 2014a, 2014b, 2014c; EUCO 2011).

In relation to financial assistance mechanisms, the element of conditionality is important for evaluating the impact on the first democratic deficit thematic area. It is conditionality that increases exponentially the impact of supranational-level actors on national policy-making. The increased decision-making capacity acquired by the EC and ECB within this framework is of particular importance. Through the structural adjustment programs, these institutions can, inter alia, assess whether there is a risk for the Eurozone by the difficulties experienced by a member state, determine the sustainability of the debt of that member state, assess its financing needs, negotiate and sign the structural adjustment programme on behalf of the ESM, and monitor compliance of the member state with that programme (CEU 2012g, 28-31). The EP itself found that there is a potential conflict of interest arising from the fact that the Commission is part of the Troika but also the EU institution tasked with guarding the EU Treaties "especially ...with regard to Member States' wage and social policy, an area in which the Commission has no competence, as well as respect for the Charter of Fundamental Rights of the European Union" (EP 2014a).

Relating specifically to the ECB, it is a solely monetary institution of the EU, tasked by with defining and implementing EU monetary policy, foreign exchange operations and reserves, and ensure smooth operation of the payment systems across the EU, and can submit reports to the EU or member states, but only in relation to its competences (EU 2016a, 230-1). However, through its role as part of the Troika, it is evident that the ECB departed considerably from its institutional mandate, now having direct input in economic policy of individual member states. A mere example is the letter of the ECB's President to the Italian Prime Minister in 2011, through which the ECB did not only influence economic policy broadly, but made requests for modifications in specific policies, such as wage agreements, retirement provisions, etc. (Corriere Della Serra, 2011). Accordingly, the EP also found that "the ECB has taken decisions that fall outside its mandate," and that it is prone to a conflict of interest, arising from its role in the Troika and as a creditor of the Eurozone member states under financial assistance (EP 2014a and 2014b).

In terms of the second thematic area of participatory processes, there is simply no reference or mention of either the EP or national parliaments in any of the financial assistance mechanism frameworks. What is more, the two most used mechanisms, including the now permanent one for the Eurozone (EFSF SA and ESM) that also have the largest capacity in terms of financial assistance (with considerable difference compared to the capacity of the EFSM), are completely outside the EU operating framework, one being a company (EFSF SA) and one an international organization (ESM). As such, the EP has, quite literally, absolutely no capability of any input or, at the very least, oversight capacity (in any form or kind) in relation to the activities of those two mechanisms. Concordantly, the above combined with the fact that these two mechanisms make exclusive use of only the EC and the ECB for their tasks (something that raises even more concerns about the exclusion of the EP, since other supranational, technocratic institutions of the EU are utilized), leads to the inability of the EP to exercise any form of oversight not only over the mechanisms themselves, but also over the EC and ECB – otherwise EU-based institutions – when operating under the framework of these mechanisms.

In terms of the third thematic area of the EU democratic deficit, the EP has found that the financial assistance programs have led, inter alia, to high unemployment, threatening social protection, declining job quality, brain-drain and long-term structural imbalances, decreasing living standards for the middle class,

and social and healthcare spending reductions (EP 2014b). Furthermore, the financial assistance mechanisms, and particularly the extensive use by them of the EC and the ECB outside the EU operating framework and relevant safeguards, including a considerably increased ability of these institutions to impact the national decision-making process, especially in redistributive and sensitive policy areas (above), has led to substantial challenges to the interests of EU citizens.

In relation to the enhanced coordination measures adopted during the Eurozone crisis, similar issues exist. Throughout the Six-Pack, the same supranational, technocratic institutions – most notably the EC – substantially increase their decision-making capacity, such as, for example, through the widespread implementation of the reverse Qualified Majority Voting and through the ability to conduct onsite monitoring missions to member states (EP & CEU 2011e, 5-11 and 2011f, 10 and 2011g 15-23 and 2011h 26-31; CEU 2011g 34). This is much more evident in the Two-Pack, through which the EC and Eurogroup have, *inter alia*, acquired the ability to scrutinize national budgetary plans, before those become binding, of Eurozone member states and, if deviations are found, even to request changes, and also through which the participation of the EC and ECB in negotiating and monitoring compliance with the structural adjustment programs of member states receiving financial assistance was solidified within the EU legal framework (EP & CEU 2013c, 7 and 2013d, 20-1). Similarly, the upgrade of the three Lamfalussy Committees to fully independent ESAs, provided them with a substantial augment in their decision-making capacity, breadth of policy areas and extent of policy input, compared to their former role primarily as advisory bodies to the EC (EC 2004c, 3 for example).

Inclusion of representative institutions, chiefly of the EP, is substantially limited, especially when compared to the augmented role of technocratic institutions, such as in the Six-Pack or Two-Pack. In most cases, the EP is limited to being able to call relevant actors for interviews, without any actual decision-making or oversight capacity whatsoever. In fact, given the Two-Pack provision allowing for supranational oversight of budgetary plans of Eurozone members, prior to becoming binding at the national level, lack of parliamentary input is quite interesting in terms of democratic governance. The TSCG – an international, non-EU treaty – does not include any parliamentary input, despite imposing a debt ‘ceiling’.

The COVID-19 Pandemic

On 11 March 2020 the World Health Organization (WHO) declared the COVID-19 disease, caused by the SARS-CoV-2 virus, a pandemic (WHO 2020). So far, there have been over 600 million confirmed cases of COVID-19 and over 6 million deaths across the globe (WHO 2022). The EU adopted an arguably much swifter and more coordinated response compared to the Eurozone crisis (Wolff & Ladi 2020, 1026).

The NextGenerationEU package¹, which officially became known as the European Union Recovery Instrument (EURI) in mid-December 2020 under Regulation 2020/2094 (CEU 2020a), includes several important elements, chief among them the first-time-ever authorization of the EC to directly “borrow funds (issue debt) on capital markets on behalf of the Union” to cover the entire amount of the package amounting to 750 billion euro (CEU 2020b, art. 5; CEU 2020a, art. 2; EC 2021a). The largest and most innovative measure of the EURI, the Recovery and Resilience Facility (RRF), was originally proposed by the EC on May 2020 and was eventually established in mid-February 2021 in Regulation 2021/241, (EC 2020c; EP & CEU 2021).

All measures of the EURI except the part of the RRF that consists of loans, are in the forms of grants, investments or budget guarantees, i.e. non-repayable funds (EC 2021c; CEU 2020a, 25-6). The breakdown of the measures is as follows: RRF, 672.5 billion euro (360 billion in loans, 312.5 billion in grants); Recovery Assistance for Cohesion and the Territories of Europe (ReactEU), 47.5 billion euro; Horizon Europe, 5 billion euro; InvestEU 5.6 billion euro; Rural Development, 7.5 billion euro; Just Transition Fund, 10 billion euro; RescEU 1.9 billion euro (EC 2020a and 2020b and 2020c and 2020d and 2020e and 2020f and 2021; EP 2021).

The most interesting measure – oddly enough the one most resembling those adopted during the Eurozone crisis – is the RRF, and its process of implementation. The entire RRF process is coordinated through the European Semester, an interesting fact itself, considering the originally very limited role of the Semester in EU policy-making and its expansion into multiple policy areas over the past years (EP & CEU 2021, 27 and 38-41 and 48).

¹ For additional measures, see Kyriakidis (2021).

The process of implementation is similar to that of the financial assistance framework established during the Eurozone crisis, although, in this case, the process is kept entirely within the EU legal framework and decision-making authority rests solely with EU institutions operating within such a framework (this, *inter alia*, avoids issues related to the actions of the EC outside the EU operating framework during the Eurozone crisis; Kyriakidis 2017, 32-36). Each member state must prepare a national reform plan and submit it to the EC, including reforms and investments over the next four years (measures adopted from February 2020 onwards are eligible), always consistent with the European Semester priorities. The EC then assesses the plan based on specific weighted criteria in cooperation with the respective member state, and submits a proposal to the CEU, which then decides on its approval or rejection (EP & CEU 2021, 40-3).

Monitoring is done through bi-annual reporting on its implementation by the beneficiary and/or borrower member state in the context of the European Semester (EP & CEU 2021, 48). The EC created the Recovery and Resilience Task Force (RECOVER) to coordinate this process (EC 2021m). Following correspondence between the author and the Commission on the specifics of this Task Force, it was found that RECOVER had been created already from September 2020 (the RRF Regulation was enacted on February 2021) within the EC's Secretariat – General “for an initial duration of 12 months,” with two directorates, reporting directly to the EC President (EC 2020r and 2021n and 2020s, 17-18). Its tasks are to support member states in drawing-up their national plans, ensure implementation of the deliverables, “assess the progress made by the Member States in implementing the plans,” and “coordinate the European Semester during this period” (EC 2020s, 17-8).

It is worth noting that, overall, the pandemic has adversely impacted democratic processes throughout the world, particularly in light of lockdowns and other Non-Pharmaceutical Interventions implemented by states to curtail the spread of the virus; it is indicative that The Economist Intelligence Unit's annual Democracy Index fell to its lowest in 2020 since the index was first introduced in 2006. (The Economist Group 2021). However, democracies have shown resilience, particularly in light of the fact that they may have suffered from higher COVID-19 infection rates (Karabulut et al. 2021). Within the EU, in the cases of Greece and Cyprus for example, implementation of Non-Pharmaceutical Interventions, although

economically and politically costly, are effective in preserving public health (Zahariadis et al. 2022).

In terms of the financial measures within the EU, the EURI/RRF process is much more democratically friendly, albeit still having minimal parliamentary input. While the authority of technocratic supranational institutions is augmented even further than in the Eurozone crisis, the entire process is within the EU framework, thus ensuring implementation of all relevant protections of such framework throughout the process, unlike the in some of the Eurozone crisis measures. Lack of parliamentary input is still a major concern, but monitoring of implementation and conditionality seems much more flexible and less intrusive compared to the Eurozone crisis. Stakeholder input and diversification of policies is not precluded, and seems to be much more on the member state's discretion than on that of supranational or international institutions (as was the case in Eurozone crisis measures).

CONCLUSION

The EU has undoubtedly faced a series of crises, in the last decade, with the Eurozone financial crisis and the COVID-19 pandemic constituting the two main ones. Because of these crises the EU has adopted a number of measures, many of which have resulted in substantial changes in its very core. The aim of this paper was to provide an insight into how these measures have impacted the democratic governance within the EU. To achieve this, the EU democratic deficit framework was used, through which an evaluative approach was undertaken.

As outline above, throughout these crises, technocratic supranational institutions experienced a substantial increase in their decision and policy-making capacity, but that they have also often exceeded their mandate and jeopardized their mission in many ways. Representative institutions – primarily the EP – are being consistently left behind, paling in comparison to the aforementioned increase. However, within one decade, i.e., between 2011 (Eurozone crisis) and 2020 (COVID-19 pandemic), it appears that the measures adopted have had a much stronger

European orientation resulting in less adverse impact on the democratic governance of the EU.

POLICY RECOMMENDATIONS

Based on the findings presented above, a number of policy recommendations can be provided that may assist in improving the democratic governance framework within the EU. First, it would be beneficial for any financial assistance mechanisms to be maintained within the EU framework. This will ensure both independence of the EU in actions taken, but will also ensure implementation of EU democratic safeguards already existent. This will further boost trust and legitimacy of EU actions, and will also provide for sufficient accountability.

Second, an enhancement of the role of representative institutions, particularly the EP, in decision-making processes would drastically improve the balance between EU institutions. The EP has been left behind both in decision-making and oversight capacities, resulting in a deficiency of the representative element within EU decisions, which in the case of the two crises was largely oriented by technocratic supranational institutions, international organizations, and intergovernmental bargaining. This will also increase the confidence of citizens in the role of the EP itself, thus also reinforcing the importance of, and, perhaps, even participation in, EU elections.

Finally, the direction of policies adopted, especially in light of crises that severely impact the economic situation of the EU and its member states, could be much more diverse and include more stakeholders, particularly from civil society. This will result in a more representative mix of policies, providing better results but also facilitating implementation of the policies throughout society.

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