The European Parliament:
A failed experiment in pan-European democracy?
THE EUROPEAN PARLIAMENT:
A failed experiment in pan-European democracy?

May 2014

By

Stephen Booth
Christopher Howarth
Contents

Executive Summary

1. An increasingly powerful but remote parliament
   1.1. The evolution of the European Parliament’s powers
   1.2. Turnout has fallen as MEPs’ power has grown
   1.3. How MEPs could help or hinder David Cameron’s reform agenda

2. The cost of the EP and attempts to create a European identity
   2.1. The cost of MEPs, staff and the EP’s two seats
   2.2. Promoting European identity and subsidising pan-European political parties and foundations

3. The anatomy of the EP’s ‘democratic deficit’
   3.1. Just a matter of ‘educating’ the public?
   3.2. The EP is only one cog in the EU policymaking machine
   3.3. A cosy consensus among the main party groupings
   3.4. A lack of accountability to voters
   3.5. Is an indirectly elected European Commission President the answer?

4. Conclusions and proposals for reform

Appendix A: The EU’s co-decision process
Appendix B: EU policy areas subject to co-decision
Appendix C: Funding of political groups, parties and foundations in 2012
Executive Summary

The European Parliament (EP) now has legislative powers over the vast majority of EU policies, from regulating working hours to vetoing EU trade agreements. However, while the use of ‘co-decision’, under which MEPs have equal status with national ministers to pass EU legislation, has more than doubled during the last two decades (from 27% to 62%), turnout in European elections has fallen from 57% to 43%. Many individual MEPs work hard and conscientiously for their constituents. However, voters’ declining engagement would suggest that, despite its ever-increasing powers under successive EU treaties, the EP has failed to gain popular democratic legitimacy.

The common view that voter apathy is largely due to a lack of awareness or public ignorance is simplistic. Data from the European Commission’s Eurobarometer public opinion surveys shows that, across the EU, there is no correlation between interest in EU affairs or awareness of the EP and voter turnout. For example, in Romania and Slovakia, 81% and 79% of people respectively say they are aware of the European Parliament, but only 28% and 20% turned out to vote in 2009. In the Netherlands, 61% say they are interested in European affairs – the highest in the EU – yet the turnout of voters at 36% is one of the lowest.

At root, the EP’s failure to connect with voters across Europe is a consequence of the lack of a European ‘demos’. The EP’s brand of supranational democracy has been constructed from the top down, which is illustrated by the high degree of consensus between the main party groupings. Despite representing national parties of different political traditions, the established centre-right European People’s Party (EPP) and centre-left Socialist and Democrat (S&D) party families voted the same way 74% of the time in the 2009-14 parliament, with a heavy bias for “more Europe”. This denies voters a genuine choice, thoroughly undermining the very objective the EP is trying to achieve.

The concept of ‘Spitzenkandidaten’ or lead candidates for European Commission President nominated by the various political families in the EP is likely to be counterproductive due to the fragmented political landscape across Europe and the poor quality of the candidates. Instead of repeating the same mistake of addressing the EP’s failure to connect with voters by increasing MEPs’ power, boosting the role of national parliaments in EU decision making would return democratic accountability closer to voters.

We set out a number of proposals to reform the role of national parliaments and the workings of the EP itself, including:

- A new ‘red card’ allowing national parliaments to combine to permanently block proposed EU legislation. Groups of national parliaments should also be able to overrule the EP and amend or repeal existing EU legislation.
- Limit ‘co-decision’, including removing MEPs’ right to increase the EU budget and veto EU trade agreements approved by national parliaments.
- The EP should complete the reform of MEPs’ expenses and allowances started in 2009, by ensuring that flat-rate allowances, such as the ‘General Expenditure Allowance’ currently worth €51,588 a year and open to misuse, require the production of receipts to justify expenditure.
- Cutting the €85 million a year (2012) the EP spends on fostering a common European political identity through party families in the parliament and their affiliated pan-European political parties and foundations.
1. An increasingly powerful but remote parliament

1.1. The evolution of the European Parliament’s powers

The European Parliament (EP) is the EU’s only directly elected institution. However, turnout across the EU has fallen in every election, from 62% in 1979, when the first direct elections were held, to just 43% in 2009. Under successive EU treaties, the EP’s powers to amend and pass EU legislation have steadily increased. With a few exceptions, such as foreign policy and aspects of eurozone governance, the EP is now on an equal footing with national governments in deciding EU laws, particularly regulation of the single market.

<table>
<thead>
<tr>
<th>Evolution of the European Parliament’s powers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1958 – Treaty establishing the European Economic Community</strong></td>
</tr>
<tr>
<td><strong>1977 – Treaty of Brussels</strong></td>
</tr>
<tr>
<td><strong>1979 – First direct European Elections</strong></td>
</tr>
<tr>
<td><strong>1987 – Single European Act (SEA)</strong></td>
</tr>
<tr>
<td><strong>1993 – Maastricht Treaty</strong></td>
</tr>
<tr>
<td><strong>1999 – Amsterdam Treaty</strong></td>
</tr>
<tr>
<td><strong>2003 – Nice Treaty</strong></td>
</tr>
<tr>
<td><strong>2009 – Lisbon Treaty</strong></td>
</tr>
</tbody>
</table>

Source: European Parliament

Practical examples of the EP’s power to amend and pass legislation include:

**The EU budget:** The EP has substantial powers over both the annual EU budget process as well as the long-term budget, known as the Multiannual Financial Framework (MFF), which currently runs from 2014-2020. Within the MFF, which sets long-term spending limits, annual budgets are prepared by the Commission and negotiated by MEPs and member states with both being able to amend the substance and spending levels. MEPs regularly demand large increases to the EU budget pitting them against the national governments that are responsible for raising the revenue. In terms of the MFF, the European Parliament has the right to accept or veto the whole deal, but it cannot make changes. Last year, MEPs secured a number of favourable concessions – including a €11.2bn retroactive top-up to the 2013 annual budget – after threatening to veto the 3.7% spending cut negotiated by David Cameron and other EU leaders to the 2014-2020 MFF.²

Power to veto international agreements: In February 2010, the Parliament rejected the interim agreement between the EU and US on banking data transfers to the US via the SWIFT network, amid concerns over privacy, proportionality and reciprocity. The move forced EU member states to negotiate a new deal with Washington.3

Bankers’ bonuses: In April 2013, MEPs tabled an amendment to the Capital Requirements Directive limiting bankers’ bonuses to a basic 1:1 ratio of fixed pay to variable pay, which can be increased to a 1:2 ratio with shareholders’ approval.4 The Directive transposes the global Basel III agreement on bank capitalisation into EU law, and the original proposal tabled by the European Commission contained no salary/bonus provisions. MEPs justified the insertion on the basis that the bonus cap would reduce risky behaviour within the industry.

Working time: In December 2008, the EP voted to end the scope for workers to opt out of the EU Working Time Directive’s 48-hour limit on average weekly working time, a provision which had been put in place by member states when the legislation was first agreed.5 Only the lack of a majority among national governments in the Council of Ministers prevented MEPs from getting their way. However, the EP’s stance on the opt-out has prevented national governments reforming the way on-call and rest periods are counted as working time, which has caused major problems in health systems across the EU.

Common Fisheries Policy: MEPs played a key role in agreeing the reform of the EU’s Common Fisheries Policy, which was widely recognised as highly damaging to both the environment and the fishing industry. In 2013, MEPs and national ministers agreed to regionalise the management of sea basins to smaller groups of countries and introduce stricter measures to reduce the waste of fish.6

1.2. Turnout has fallen as MEPs’ power has grown

There are three legislative procedures used in the EP, with the most common now being the so-called ‘co-decision’ procedure (see Appendix A), under which MEPs have the same rights as national governments (represented in the Council of Ministers) to amend and pass EU law. The 2009 Lisbon Treaty brought over 40 new fields within this procedure, including agriculture, energy security, immigration, and justice and home affairs (for a full list see Appendix B).

International agreements negotiated by the EU, such as free trade deals, fall under the ‘assent’ procedure. MEPs cannot propose amendments to these agreements, which are decided by ministers in the Council, but they do have the power to veto them, which gives them substantial negotiating leverage. In some other cases, the European Parliament is simply consulted, while a fourth procedure, ‘cooperation’, is no longer in use.

4 BBC, ‘EU tightens up bank lending rules and bonuses’, 16 April 2013
http://www.bbc.co.uk/news/world-europe-22164384
5 House of Commons briefing note, ‘Working time directive: opt out from 48 hour limit on working week’, 9 March 2009
6 Telegraph, ‘MEPs vote to end discarding of surplus fish catches’, 6 February 2013
The graph below highlights how, under the Lisbon Treaty, the shift from consultation to co-decision and the greater use of the assent procedure has seen the EP’s power increase, greatly strengthening its hand vis-à-vis national governments in the process.

The graph below shows the relationship between turnout and the EP’s increase in power. Paradoxically, turnout has continued to fall as MEPs power to ‘co-decide’ with national ministers has increased.

1.3. How MEPs could help or hinder David Cameron’s reform agenda

The table below illustrates how the EP’s new powers mean that it could be a decisive factor in whether David Cameron’s various demands for EU reform are successful.\(^7\)

---

\(^7\) EPRS, figures up to 14 April 2014. Includes all readings for co-decision and the cooperation procedure; http://www.europarl.europa.eu/EPRS/140781REV1-The-European-Parliament-2009-14-FINAL.pdf
<table>
<thead>
<tr>
<th>Commitment</th>
<th>What could it involve?</th>
<th>EP agreement required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>“National parliaments able to work together to block unwanted European legislation.”</td>
<td>There are various proposed ways of strengthening the role of national parliaments to collectively strike down EU laws, such as a legal veto – the ‘red card’ – or simply strengthening the existing ‘yellow card’ mechanism.</td>
<td><strong>No.</strong> Could involve treaty change. EP has limited formal influence over a treaty change but would be represented at a Treaty Convention. Alternatively, a political agreement with the European Commission to treat ‘yellow cards’ as ‘red cards’.</td>
</tr>
<tr>
<td>“Powers flowing away from Brussels, not always to it.”</td>
<td>Repatriating entire areas of EU power, such as regional policy, repealing specific regulations, or structural changes to the EU institutions.</td>
<td><strong>Maybe.</strong> Reforms of existing policies and repealing individual rules would require EP agreement. Removing entire EU powers or structural changes could involve treaty change.</td>
</tr>
<tr>
<td>“Businesses liberated from red tape and benefiting from the strength of the EU’s own market.”</td>
<td>Exemptions for small business from EU regulations. A repeal mechanism or sunset clauses for EU regulation.</td>
<td><strong>Yes.</strong> Repealing or amending existing EU regulation of the single market requires EP agreement.</td>
</tr>
<tr>
<td>“Open up greater free trade with North America and Asia.”</td>
<td>Completion of the Trans-Atlantic Trade and Investment Partnership with the US and other free trade deals.</td>
<td><strong>Yes.</strong> The EP has the power to accept or veto proposed EU trade agreements.</td>
</tr>
<tr>
<td>“Our police forces and justice systems able to protect British citizens, unencumbered by unnecessary interference from the European institutions.”</td>
<td>Removing the European Court of Justice’s (ECJ) jurisdiction over EU crime and policing law.</td>
<td><strong>No.</strong> Would require treaty change. EP has limited formal influence over a treaty change but would be represented at a Treaty Convention.</td>
</tr>
<tr>
<td>“Free movement to take up work, not free benefits.”</td>
<td>Limiting EU migrants’ access to benefits for a longer time period.</td>
<td><strong>Yes.</strong> Revising EU rules on migrants’ access to welfare will require EP agreement.</td>
</tr>
<tr>
<td>“Support for the continued enlargement of the EU to new members but with new mechanisms in place to prevent vast migrations across the Continent.”</td>
<td>Tougher transitional controls on future EU accession countries.</td>
<td><strong>No.</strong> Decided amongst national governments.</td>
</tr>
<tr>
<td>“Dealing properly with the concept of ‘ever closer union’.”</td>
<td>Removing these words from the treaty or securing a commitment that ‘ever closer union’ does not apply to the UK.</td>
<td><strong>No.</strong> Requires treaty change. EP has limited formal influence over a treaty change but would be represented at a Treaty Convention.</td>
</tr>
</tbody>
</table>

---

8 See Prime Minister’s article in the Telegraph, ‘The EU is not working and we will change it’, 16 March 2014; [http://www.telegraph.co.uk/news/newstopics/eureferendum/10700644/David-Cameron-the-EU-is-not-working-and-we-will-change-it.html](http://www.telegraph.co.uk/news/newstopics/eureferendum/10700644/David-Cameron-the-EU-is-not-working-and-we-will-change-it.html)
2. The cost of the EP and attempts to create a European identity

One popular perception of ‘Brussels’ is that of the EU ‘gravy train’. The EP’s consistent demands for a bigger EU budget do not help to dispel voters’ suspicions. The EP’s budget has also risen significantly in recent years from just over €1.4bn in 2008 to over €1.7bn a year in 2014. This, many MEPs claim, is justified by them having expanded their work load as a result of the Lisbon Treaty. However, there are many areas where EP spending could and should be cut (see below). The EP’s budget is used to pay for MEPs, their staff, and administration, but it is also used to fund activities designed to foster a ‘European demos’ and pan-European democracy.

![European Parliament budget 2008-2014](image)

2.1. The cost of MEPs, staff and the EP’s two seats

- The EP is famous for the so-called travelling circus between its two seats in Brussels and Strasbourg. In addition to these two seats, the Parliament’s day-to-day administrative work is undertaken by a General Secretariat based in Brussels and Luxembourg. The cost of maintaining these three places of work has been estimated at €180m per year. It should be noted that a majority of MEPs have voted to scrap the two-seat Parliament, but to do so would require EU Treaty change and unanimous approval from all member states (with the French opposed).

- The largest proportion of the budget – 35% – is used to employ the Parliament’s 5,567 permanent and 1,146 temporary officials.

- In 2014, 27% of the Parliament’s budget was dedicated to MEPs, including their salaries, expenses and allowances, costs for travel, offices and the pay of personal assistants. MEPs are paid €96,246 per year but receive generous tax free allowances and pensions. This compares

---

very favourably to Westminster MPs who are paid less, have to contribute to their pension and receive less in terms of allowances for staff.¹³

Furthermore, some MEPs continue to benefit from the controversial Additional Voluntary Pension Scheme, in operation since 1989, which MEPs could choose to opt into in addition to their standard pension. This option was closed to all new MEPs from 2009, but remains in place for those who currently take advantage of the fund.¹⁴ The scheme was controversial because it was two-thirds funded by taxpayers and names of those on the scheme were only published by Open Europe in 2009 after the membership list was leaked.¹⁵

Reforms in 2009 to MEPs’ expenses and allowances did improve the situation by requiring more of MEPs’ allowances, such as for travel, to be subject to the production of receipts. However, the “General Expenditure Allowance”, which amounts to €51,588 a year remains vulnerable to abuse, as it is paid to MEPs and can be spent without the production of receipts.¹⁶ MEPs’ subsistence allowance, meant to cover accommodation and food expenses when working at the parliament, is also controversial, with some MEPs accused of signing in to receive the allowance without performing any parliamentary work.

It is true that MEPs do have larger constituencies than most national MPs (see 3.4), which some argue justifies MEPs costing more. At the same time, though, it is unclear whether MEPs actually deal with more legislation than MPs, while they most certainly have far less constituency case work. For although MEPs have larger constituencies, Westminster MPs and their staff correspond on a very wide variety of subjects (including those within the parameters of the MEP). An MEP’s workload is far less due to lower public profiles and the narrower focus of the subjects within their remit.

Like employees of the European Commission, MEPs pay a special (and low) EU tax rate, which is collected as revenue for the EU budget. However, the UK Government ensures that British MEPs have to pay the difference between what they pay in tax to the EU and what they would if they were resident in the UK.¹⁷

2.2. Promoting European identity and subsidising pan-European political parties and foundations

The second focus of EP spending is on attempting to foster a “European identity” and build up the prestige of the institution. This comes in a number of forms: direct spending on the media, spending on pro-EU integration think tanks and NGOs, and on special parliamentary projects such as its visitor centre and museum.


• **Funding of the media**: In 2012, the European Parliament awarded grants of €3,066,072 to media organisations to help promote coverage of EU decision making.\(^{18}\) In addition to this, €440,500 was awarded to universities in order to organise conferences.

• **Funding of think tanks and campaign organisations**: In 2012, the European Parliament awarded grants of €1,506,834 to think tanks and campaign organisations “encouraging wide public interest” in the EU decision making process. This included organisations such as “Friends of Europe” which was awarded €139,000 and the Institute of European Affairs which was awarded €105,875.\(^{19}\)

• **European Parliament visitor centre**: The EP has spent €20.5 million on its new visitor centre, the “Parlamentarium”, in addition to the money it spends on paid visits to the Parliament.\(^{20}\)

• **European Parliament’s “The House of European History”**: In addition to a visitor centre, the EP has decided to build its own museum in the Parc Léopold at a cost of €56.19 million.\(^{21}\) The “main focus of the permanent exhibition will be on European history of the 20\(^{th}\) century and the history of European integration.”

The majority of MEPs sit in political groups or families – these are not organised by nationality, but by political affiliation. There are currently seven political groups in the European Parliament. At least 25 MEPs representing at least seven member states are needed to establish and maintain a group. Some MEPs do not belong to any political group and are known as non-attached Members.

The EP’s budget not only provides funding to the party groups in the EP, but also to affiliated pan-European parties and foundations. Funding for the groups within the EP supports their administration, so that they can employ group staff to support MEPs’ work. However, less known is the funding for pan-European political parties, which do not necessarily have to have any elected MEPs. Political foundations linked to the pan-European parties, which often conduct and commission research and political projects, also receive money from the EP budget. In total, nearly €85 million a year is spent on parliamentary groups, pan-EU parties and foundations.

• **Groups in the European Parliament**: The EP gave pan-European groups sitting in the parliament €55,893,393 in 2012. Of this, the majority went to the largest groups, with the centre-right European People’s Party (EPP) receiving €21,127,608 and the centre-left Socialist and Democrats (S&D) €14,907,889.

• **European Political Parties**: In 2012 pan-European political parties received €18,246,910. Of this the political parties affiliated to the EPP and the S&D received €6,482,714 and €4,323,313 respectively.

• **European Political Foundations**: Each pan-European political party has a linked political foundation that is eligible to receive funding. In total, all the political foundations receive €10,768,014 which can be used to conduct or fund research of their choosing. There is a

\(^{18}\) [European Parliament: Grants](http://www.europarl.europa.eu/aboutparliament/en/00beb2559e/Grants.html);

\(^{19}\) 2012 figures are for grants awarded, amounts paid may differ, including €71,036 to two local authorities


wide variety of these foundations, with the EPP’s Centre for European Studies receiving €3,718,641, the S&D’s Foundation for European Progressive Studies receiving €2,794,525 and smaller foundations such as the European Liberal Forum, Green European Forum and the European Conservatives and Reformists’ (ECR) New Direction – Foundation for European Reform all receiving funding (a full list is available at Appendix C).

**European funding for new populist right party “European Alliance for Freedom”?**

Marine Le Pen’s Front National in France and Geert Wilders’ PVV in the Netherlands are likely to be able to secure enough allies to form a new far-right political grouping of MEPs in the EP, called the European Alliance for Freedom. The pan-European political party European Alliance for Freedom and an affiliated political foundation already receives some money from the EP budget but this could increase nearly ten-fold if it secures enough MEPs to form a party group in the parliament. According to Open Europe’s estimate, the nascent group could achieve 38 MEPs in the new parliament, which, based on what existing groups can receive per MEP, could see the new group receive €4,442,760 a year from the EP budget (over and above what is given to individual MEPs). This would amount to around €22 million over the course of the five year parliament.

| Potential grant to European Parliament Grouping: European Alliance for Freedom | €2,974,718.39 |
| Potential grant to linked European Political Party European Alliance for Freedom | €895,830.73 |
| Potential grant to linked Political Foundation: European Foundation for Freedom | €572,210.71 |
| **Potential total** | **€4,442,759.83** |

---

22 In 2012, the party received €357,089 and its foundation €234,133.

23 *Open Europe*, ‘None of the above: what impact will the rise of anti-EU parties have on the next European Parliament?’, April 2014; [http://www.openeurope.org.uk/Content/Documents/140428_EP_Briefing_Open_Europe.pdf](http://www.openeurope.org.uk/Content/Documents/140428_EP_Briefing_Open_Europe.pdf)
3. The anatomy of the EP’s ‘democratic deficit’

3.1. Just a matter of ‘educating’ the public?

The common explanation for low turnout in European elections is a lack of public knowledge of EU politics and the EU institutions. However, while it is true that public awareness of European elections is often lower than national elections, it would be wrong to draw the conclusion that an increased interest in European affairs or awareness of the European Parliament is the simple solution to low levels of turnout. Data from the European Commission’s Eurobarometer public opinion surveys shows that, across the EU, there is no correlation between interest in EU affairs or awareness of the EP and voter turnout.

For instance, when asked to name the EU institutions they were aware of, in Romania 81% and Slovakia 79% of people surveyed say they are aware of the European Parliament but only 28% and 20% turned out to vote in 2009. Meanwhile, in countries such as Luxembourg and Belgium, where voting is compulsory, turnout outstrips awareness of the Parliament.

Nor does interest translate into turnout. In the Netherlands, 61% of those polled said they were interested in European affairs – the highest in the EU – yet the turnout of voters at 36% is one of the lowest.

---

24 Eurobarometer, December 2013; “Could you name three European institutions you are aware of?”
3.2. The EP is only one cog in the EU policymaking machine

Despite its increased powers and influence over EU legislation, the EP remains only one aspect of the EU’s policymaking process and MEPs do not form a government (the role of executive is played by the Commission, which proposes legislation). The complexity of the system means that accountability is weak and it is very difficult for voters to see how their votes in the European elections translate into policies at the EU level (see Appendix A for a diagram of the EU’s co-decision process).

Somewhat paradoxically, the eurozone crisis has seen the pendulum swing back to national governments by bringing European integration properly into the domain of taxation and spending for the first time – the areas reserved for national democracy. Consequently, many of the key decisions about the future of the single currency are now taken among EU leaders. In EU jargon, this is a debate about whether European integration should be driven by ‘intergovernmentalism’ – with member states in the driving seat; or the ‘communitarian method’ – with the European Commission as the executive and EP as co-legislator.

Therefore, although the EP has influence over individual EU laws, it is far less influential in the wider debate about the EU’s future (or indeed whether a state should be a member of the EU). In countries where the level of EU integration is politically controversial, voters have been much more motivated to express their view in referenda about how much power the EU should have, than in EP elections.

For example, in France and the Netherlands, where anti-EU parties are topping opinion polls for the 2014 elections, 69.37% and 63.3% respectively voted in the 2005 referenda on the EU Constitution (which became the Lisbon Treaty), while only 42.76% and 39.26% voted in the previous year’s EP elections.

---

25 Eurobarometer, December 2013; “Would you say that you are very interested, fairly interested, not very interested or not at all interested in European affairs?” We have taken total ‘interested’; http://www.europarl.europa.eu/pdf/eurobarometre/2013/election3/SyntheseEB795ParlemetreEN.pdf
26 The Front National is expected to get 22.3% of the vote in France and, in the Netherlands, Geert Wilders’ anti-EU PVV and the strongly eurosceptic Socialist Party are expected to get 15% and 11% of the vote. See Open Europe, ‘None of the above: what impact will the rise of anti-EU parties have on the next European Parliament?’, April 2014; http://www.openeurope.org.uk/Content/Documents/140428_EP_Briefing_Open_Europe.pdf
elections. Similarly, large numbers of Danes and Swedes voted to reject joining the single currency in referenda in 2000 and 2003, but turnout in the 2004 EP elections was much lower.

3.3. A cosy consensus among the main party groupings

On the surface, the make-up of the party families in the EP in which national parties sit can sometimes make little sense to voters. For example, the EPP includes both the strongly pro-free-movement Swedish Moderaterna and the French UMP’s Rachida Dati who has called for a “Europe of borders”. The liberal ALDE group features both the strongly reformist Dutch VVD that wants to end “ever closer union”, and the group’s leader Guy Verhofstadt, who has called for a “United States of Europe”.

These contradictions can lead MEPs to have divided loyalties – to their national party leaderships and to their EP party family. For example, following the deal between EU leaders to cut the long-term EU budget, the majority of German CDU, CSU, Finnish National Coalition Party and Dutch VVD MEPs voted against their party leaders and in support of their group’s opposition to the deal. On the other hand, the UK’s Labour Party, Sweden’s Moderaterna, the Danish Social Democrats and Polish Civic Platform all supported the deal, thereby rebelling against their group. These national and party family splits, even on an issue as crucial as the EU budget, make it difficult for voters to know how the MEPs they have elected will behave.

However, despite the contradictions noted above, the long term trend is that these groups of national parties are increasingly cohesive and tend to vote together as blocks. The graph below shows that, in the 2009-2014 parliament, MEPs within the EPP group voted together over 90% of the time.

The two main EPP and S&D groups, which between them currently control 61% of the votes in the EP, can dictate the parliament’s agenda. The Liberal (ALDE) group makes up a further 10% of the seats. A prime example of the consensus among the EPP and S&D is the routine agreement to divide the post of EP President between the two groups over the five year term of the parliament.

While the exact groupings after this year’s elections are uncertain, it is likely that the EPP and S&D groups will continue to dominate the EP, with a combined projected seat share of around 55%. Together with ALDE, these parties will continue to control over 60% of the votes in the new parliament.

The voting records of the groups in the 2009-2014 parliamentary term highlights the extent to which the EPP, S&D and ALDE tend to vote the same way on proposed EU legislation. Over the course of the last parliament and across all policy areas, the centre-left and centre-right groups voted the

---

same way 74% of the time. In addition, ALDE voted the same way as the S&D 78% of the time and the EPP 78% of the time.

Another indicator of the degree to which the main groups club together to set the agenda in the EP is the huge majorities often commanded in favour of EU legislation passed by MEPs. According to figures compiled by Vote watch, the average majority in co-decision roll-call votes in the 2009-14 parliamentary term is over 75% – the highest it has ever been.\[30]\n
This can partly be explained by the increase in so-called ‘first-reading’ agreements. Given that the process of several readings in the co-decision procedure is time-consuming and complex, there has been an increasing tendency to pass legislation through informal negotiation with national ministers in the Council and only one reading in the EP. First reading agreements require the backing of the big political groups in the centre and mean that only a limited number of people are involved in the negotiations, which reduces debate, transparency and accountability.\[31]\n
---


The number of these fast-track first reading agreements has increased dramatically in recent years. Around 80% of EU laws are now agreed through such an agreement between the European Parliament and member states. This is a trend that is only likely to continue with the share of anti-EU parties in the next parliament set to increase, which will act as a further incentive for the pro-integration parties to act in coalition.\[33\]

3.4. A lack of accountability to voters

Large constituencies

The size of the electorate in the European elections necessarily means that MEPs are likely to be more remote from voters than national MPs, particularly in countries with a constituency system such as the UK. For example, in the UK, an electorate of 45 million elected 72 MEPs in 2009. A similar sized electorate is used to elect 650 Members of the Westminster parliament. This means that every MEP has nine times as many constituents. Large constituencies are in themselves nothing unusual but combined with the top-down nature of the EP’s supranational democracy, this becomes a problem.

‘Open’ versus ‘closed’ lists

There is no uniform electoral rule for the EP. Although all member states use a system of proportional representation (PR), and about half of the member states use a preferential system, i.e., “open” list PR or single transferable vote. In these countries, voters can choose between candidates from the same party as well as between parties. In contrast, the “closed” list operating for the European Parliament elections in the other half of the member states, such as the UK, only offers voters the chance to choose between pre-ordered lists of candidates from each of the parties.

In the UK, a voter has little influence over the choice of an individual MEP, and may be forced to vote for one candidate they do not wish for in order to vote for another they do on the same list.


\[33\] See Open Europe, ‘None of the above: what impact will the rise of anti-EU parties have on the next European Parliament?’, April 2014; [http://www.openeurope.org.uk/Content/Documents/140428_EP_Briefing_Open_Europe.pdf](http://www.openeurope.org.uk/Content/Documents/140428_EP_Briefing_Open_Europe.pdf)
In many UK constituencies, as a result of the D’Hondt formula, even large swings in the vote will only ever affect candidates lower down on a list allowing for the ‘safe seats’ at the top of the lists to be decided by the party leaderships. Academics argue that MEPs elected under open lists tend to spend more time campaigning directly to voters and representing the interests of their constituencies in the EP than MEPs selected under closed-list systems.  

**Lack of roll-call votes on individual amendments**

Earlier this year, MEPs voted to extend the number of cases where roll-call votes are used. Voting by roll-call means that the votes of individual MEPs are recorded and included in the minutes of the sitting. As a result, starting from March 2014, roll-call voting has become compulsory for all final votes on a report in the plenary session (that is, including votes on non-binding texts and not just legislative proposals) and for all final committee votes on legislative texts. The new rules do not votes on individual amendments, it up to MEPs to request that a roll-call vote be held – both in the plenary and in committees.  

### 3.5. Is an indirectly elected European Commission President the answer?

The latest great hope to boost voters’ interest in the European elections is the innovation of ‘Spitzenkandidaten’ or lead candidates for European Commission President nominated by the various political families in the EP. Until now, the Commission President has been chosen by EU leaders, with the EP approving the choice with a majority vote. The EU treaties remain ambiguous about exactly how the next Commission President must be selected, but the Lisbon Treaty states that EU leaders must for the first time take “into account” the result of the European elections when proposing the new European Commission President.

Advocates of this idea argue that the European Commission needs more political accountability and that linking its President directly to the outcome of the European elections will amount to a big step forward for pan-EU democracy by giving voters a greater say over the future of EU policy. The argument is that selecting candidates to represent the party groups going into the elections will attract more media attention and increase voter turnout by giving people a choice of personalities and policy platforms to vote for. The EP’s desire to hand-pick the next Commission President is also an attempt to reassert control in the wake of the eurozone crisis, which has seen EU leaders sidestep the EU institutions. Ultimately, EU leaders retain the power to reach a compromise candidate among themselves, but the EP’s veto over the appointment could lead to a stand-off between governments and MEPs.

The three main candidates are all EU insiders who have made their recent careers in the EU institutions:

**Martin Schulz, nominated by the centre-left Socialists and Democrats group**: MEP and current President of the European Parliament and member of the German social democrat SPD.

---

Jean-Claude Juncker, nominated by the centre-right European People’s Party group: the former Luxembourg Prime Minister and former head of the Eurogroup of eurozone finance ministers.

Guy Verhofstadt, nominated by the Alliance of Liberals and Democrats for Europe group: MEP and current leader of the Liberal group in the EP, former Belgian Prime Minister.

There are several reasons why the principle of lead EP candidates is likely to be counterproductive:

- They do not offer voters a genuine choice. All of the main candidates, to the extent that they are known at all, have been – and remain – keen advocates of further European integration that arguably has led to the EP’s democratic deficit in the first place.

- The main candidates are unable to connect with what remain national electorates. For example, none of the three main candidates has the support of the major UK parties. The Labour Party has disassociated itself from Martin Schulz, the Conservatives are no longer members of the European People’s Party that has nominated the centre-right candidate, and the Liberal Democrats backed Finnish EU Commissioner Olli Rehn as an alternative to Verhofstadt. 36

- The European Commission has a dual role: to propose legislation and act as a neutral enforcer of the rules governing the single market. A party political Commission President would undermine the Commission’s role as referee.

- Voters still see national governments and parliaments as the principle source of democratic legitimacy. 37 Picking the Commission President from the EP would further alter the balance of power in the EU at the expense of national governments and national parliaments. A Commission President who owed his career to the largest group in the EP would be less responsive to national governments and parliaments.

A recent Open Europe/YouGov poll 38 found that 73% of Britons and 58% of Germans thought that either every country’s national parliament or a group of national parliaments should be able to block proposed new EU laws. Only 8% of Britons and 21% of Germans thought that the European Parliament, rather than national parliaments, should have the right to block new EU laws. The poll also found that, while Britons and Germans thought that the single market is beneficial, a majority of people in both countries wanted decisions over key issues such as EU migrants’ access to benefits, employment laws, regional development subsidies, and police and criminal justice laws to be taken at the national level rather than at the EU level.

38 Open Europe, ‘A majority of Britons and Germans want a greater role for national parliaments in EU decision-making and national control over several key policy areas’, 26 February 2014; http://www.openeurope.org.uk/Content/Documents/140226_UK-German_Poll.pdf
<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Voters in Britain</th>
<th></th>
<th>Voters in Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National level</td>
<td>EU level</td>
<td>National level</td>
</tr>
<tr>
<td>EU migrants' access to benefits</td>
<td>72%</td>
<td>17%</td>
<td>53%</td>
</tr>
<tr>
<td>Police and criminal justice laws</td>
<td>81%</td>
<td>8%</td>
<td>56%</td>
</tr>
<tr>
<td>Employment laws</td>
<td>70%</td>
<td>19%</td>
<td>58%</td>
</tr>
<tr>
<td>Trade policy</td>
<td>48%</td>
<td>38%</td>
<td>29%</td>
</tr>
<tr>
<td>Energy and climate change policy</td>
<td>45%</td>
<td>43%</td>
<td>25%</td>
</tr>
<tr>
<td>Regional development subsidies</td>
<td>66%</td>
<td>19%</td>
<td>63%</td>
</tr>
</tbody>
</table>
4. Conclusions and proposals for reform

The 2014 elections are expected to return a higher number of anti-EU and anti-establishment MEPs than ever before, which could force the established parties even closer together. This would further stifle a constructive debate about EU policy in the EP, and reduce transparency and accountability to voters.

Many individual MEPs work hard and conscientiously for their constituents. In addition, the reform of the Common Fisheries Policy – and there are other examples too – shows that the EP can work successfully with national governments to reform long-standing, failing EU policies. However, despite its ever-increasing powers and the attempts to foster pan-EU politics through party groups and foundations, the EP has failed to capture the public imagination. This indifference is often assumed to be ignorance. While it is true that many people feel they know little about the EU, this is a simplistic and patronising explanation for the declining turnout in European elections. Neither does it account for the fact that as MEPs’ power has increased, voters’ willingness to vote for them has fallen, or that in countries with the greatest awareness of the EP and interest in EU affairs, turnout remains low. In countries where European integration is controversial, far higher numbers have turned out to vote against transferring more power to the EU in referenda than in their EP elections.

At root, the EP’s failure to connect with voters across Europe is a consequence of the lack of a European ‘demos’. The EP has always been a top down project and this is illustrated by the high degree of consensus between the main party groupings, which despite representing national parties of different political traditions, all favour the status quo or further EU integration.

The proposed *Spitzenkandidaten* or EP candidates for Commission President are the latest attempt to connect with voters. However, no candidate is ever likely to be able to appeal to enough voters outside of their own country to command a true pan-European mandate. Allowing the EP to hand-pick the Commission President would also disrupt the institutional balance of the EU at the expense of national governments, which continue to enjoy greater legitimacy than the EP.

There is no simple solution to reducing the EU’s democratic deficit, but it is clear that giving yet more power to the EP is not the answer.

**Structural reforms to tackle the democratic deficit:**

- *Increase the role of national parliaments*. Power within the European Institutions is a finite commodity. If one institution is given more power it comes at the expense of another. In order to increase the role of the national parliaments, it is recognised that the European Parliament will lose power. There are a number of ways to increase the role of national parliaments in the EU:
  - **Introduce a ‘red card’**. A new ‘red card’ would allow national parliaments to combine to permanently block Commission proposals. The Lisbon Treaty introduced a ‘yellow card’ but it only allows national parliaments to ask the Commission to ‘reconsider’ a proposal, so it is weak and has only been used twice. In the second case, on the establishment of a European open europe.org.uk/Content/Documents/140428_EP_Briefing_Open_Europe.pdf
Public Prosecutor, the Commission has decided to go ahead, despite the opposition of 14 national parliament chambers.  

- **Introduce a mechanism for national parliaments to reverse existing EU legislation.** Applying the red card to existing EU legislation could provide a mechanism for national parliaments to tackle existing EU legislation, and would provide a permanent means to overrule the EP to alter or reverse EU law.

- **Strengthen the existing yellow card.** The existing yellow card system should be strengthened by lowering the threshold for issuance and giving national parliaments more time to scrutinise proposals.

- **European Governance Manifesto.** A European Governance Manifesto could be negotiated for the next five year term between the member states, the incoming Commission and EP. It could lay down what the EU should focus on, and what Europe needs to leave to the states. This has been proposed by the Dutch Foreign Minister Frans Timmermans and builds on other ideas for the strengthening the role of national parliaments.

- **Less co-decision.** The EP’s role to co-decide should be curtailed. This is particularly the case with the EU’s budget, where MEPs continually use their powers to demand more EU spending despite it being the member states that are responsible for raising the revenue.

- **Removal of vetoes on trade deals.** Trade relations with non-EU states is an oft-stated reason for EU states cooperating, with the expansion of EU trade agreements forming a major part of David Cameron’s EU reform agenda. There is no clear justification for why MEPs should be able to veto an EU trade agreement if it is ratified by national parliaments.

**Practical reforms to the European Parliament:**

- **Reduce the EP’s budget and scrap its second seat.** The EP’s second seat should be scrapped and all its business conducted in one location. The current ‘travelling circus’ is a continual symbol of the EP’s remoteness from European voters – though again this is not the EP’s own decision but will require unanimity amongst member states. Spending on salaries and pan-European political parties should be reduced.

- **Reform expenses.** The EP should complete the reform of MEPs’ expenses and allowances. This would include reform of the general expenditure allowance to require the production of receipts to justify expenditure.

- **Scrap ‘first reading’ agreements.** The EP’s opaque decision making process would be improved if MEPs were not allowed to dispense with further scrutiny by reaching a deal with national governments at first reading. Allowing for second readings in all circumstances would improve accountability and scrutiny.

---

40 [Hansard Society, Christopher Howarth:](http://www.hansardsociety.org.uk/measured-or-makeshift-parliamentary-scrutiny-of-the-European-union)

41 [FT, 14 November 2013;](http://www.ft.com/cms/s/0/346f4ff4-4c82-11e3-923d-00144feabdc0.html)

• **Roll-call votes for all EP committee and plenary amendments.** Although the EP has improved transparency by allowing roll-call votes on final votes on Committee reports, roll-call voting should be compulsory for all votes at all stages.

• **End own initiative reports.** At present, the EP is allowed to adopt reports in the remaining areas where it does not have power. These are not legally binding but can be used to exert pressure on the Commission to bring forward proposals. These reports add to the institutional confusion, give the illusion the European Parliament has competence where it does not and divert attention from other areas where the Parliament has a role. Therefore, they should be stopped.

• **Open lists in European elections.** While it would not remedy the fundamental issues outlined in this report, moving to an ‘open list’ system as employed in other EU member states could offer the electorate a greater choice over who represents them in Brussels and Strasbourg.

**A parliament fit for the 21st Century? Challenges for the future**

In addition to the democratic deficit, the EP faces a number of future challenges as a result of the way the EU is changing following the eurozone crisis and the increasingly multi-tier nature of European cooperation.

At present, all MEPs are allowed to vote on all matters despite their member states not necessarily taking part. For instance, the UK is not a member of Schengen, but UK MEPs may still vote on Schengen visa issues. With the eurozone crisis leading to more decision making only affecting the nations in the single currency and a growing desire for a more flexible EU, the EP may be forced to find a solution to its own ‘West Lothian’ question – is it right for all MEPs to vote on issues where their countries do not take part?
Appendix A: The EU’s co-decision process

1. Proposal from Commission
   2. First reading by EP position
   3. Amended proposal from Commission
   4. First reading by Council
   5. Council approves all EP’s amendments
      6. Council can adopt act as amended (without further amendments and in the wording of EP’s position)
      7. EP has approved proposal without amendments
      8. Council can adopt act (without amendments and in the wording of EP’s position)
      9. Council position at first reading
      10. Communication from Commission on Council position at first reading
      11. Second reading by EP
      12. EP approves common position or makes no comments
      13. Act is deemed to be adopted
      14. EP rejects Council position at first reading
      15. Act is deemed not to be adopted
      16. EP proposes amendments to Council position at first reading
      17. Commission opinion on EP’s amendments
      18. Second reading by Council
      19. Council approves amended Council position at first reading (i) by a qualified majority if the Commission has delivered positive opinion (ii) unanimously if the Commission has delivered negative opinion
      20. Act adopted as amended
      21. Council does not approve the amendments to the Council position at first reading
      22. Conciliation Committee is convened
      23. Conciliation procedure
      24. Conciliation Committee agrees on a joint text
      25. EP and Council adopt act concerned in accordance with joint text
      26. Act is adopted
      27. EP and Council do not approve joint text
      28. Act is not adopted
      29. Conciliation Committee does not agree on joint text
      30. Act is not adopted
Appendix B: EU policy areas subject to co-decision

**EU policy areas subject co-decision prior to the Lisbon Treaty**

- Prohibition of any discrimination on grounds of nationality
- New anti-discrimination measures
- Citizenship: right of citizens to move and reside freely within the territory of the Member States
- Freedom of movement for workers
- Freedom of movement for workers: social security of migrant workers in the Community
- Right of establishment
- Right of establishment: special treatment for foreign nationals
- Taking up and pursuing activities as self-employed persons, training and conditions of access to professions: mutual recognition of diplomas
- Measures concerning the self-employed: amendment of national legislation
- Right of establishment: services
- Border controls: issuing of visas; rules on a uniform visa
- Asylum measures
- Measures on refugees and displaced persons: temporary protection to displaced persons from third countries
- Judicial cooperation in civil matters (except family law)
- Transport: common rules applicable to international transport, conditions under which non-resident carriers may operate transport services within a Member State, measures to improve transport safety
- Sea and air transport
- Harmonisation of the internal market
- Employment: incentive measures
- Customs cooperation
- Social policy: workers’ health and safety, working conditions, information and consultation of workers, equality between men and women, measures to encourage cooperation in fight against social exclusion
- Social policy: equal opportunities and pay
- Social Fund: implementing decisions
- Education: incentive measures
- Vocational training: measures to contribute to the achievement of objectives
- Incentive measures in respect of culture
- Public health: minimum standards of quality and safety of organs and substances of human origin, blood and blood derivatives, measures in the veterinary and phytosanitary fields designed to protect public health, action to improve public health
- Consumer protection
- Trans-European networks: establishment, funding
- Specific support measures in the industrial sphere
- Specific actions for economic and social cohesion outside the Structural Funds
- European Regional Development Fund (implementing decisions)
- Framework programme for research and technical development
- Research: adoption of programmes
- Environment: measures, adoption and implementation of programmes
- Development cooperation
- Regulations governing political parties at European level and the rules regarding their funding

---

- Transparency: general principles and limits on access to documents
- Measures to counter fraud
- Statistics
- Protection of data: establishment of an independent supervisory body
- Border controls
- Asylum measures: minimum standards for granting or withdrawing refugee status
- Promoting a balance of effort between Member States in receiving refugees and displaced persons
- Illegal immigration, illegal residence and repatriation of illegal residents

**EU policy areas subject to co-decision following the Lisbon Treaty**

- Comitology
- Citizens’ initiatives
- Specialised Courts
- ECJ jurisdiction on intellectual property rights
- ECJ Statute
- Principles of European Administration
- Staff Regulations of Union officials
- Financial Regulations
- Services of general economic interest
- Official and Government Employment
- Freedom to provide services for established third country nationals
- Freedom to provide services
- Movement of capital to or from third countries
- Freezing of assets
- Distortion of competition
- Authorisation, co-ordination and supervision of intellectual property rights protection
- Economic, financial, and technical cooperation with third countries
- Humanitarian aid operations
- Multilateral surveillance procedure
- Amendments to certain parts of the Statute of the European System of Central Banks
- Use of the euro
- Structural and Cohesion Funds
- Agriculture and Fisheries
- Transport
- European Research Area
- Space Policy
- Energy
- Tourism
- Sport
- Civil protection
- Administrative co-operation
- Border checks
- Immigration and Frontier Controls
- Judicial co-operation in Criminal Matters
- Minimum rules for criminal offences and sanctions
- Crime prevention
- Eurojust

---

**44 FCO Commentary on the EU Constitution, FCO website**
- Police co-operation
- Europol
- Aspects of the Common Commercial Policy
Appendix C: Funding of political groups, parties and foundations in 2012\textsuperscript{45}

<table>
<thead>
<tr>
<th>UK Political Party</th>
<th>European Parliament Grouping</th>
<th>EP subsidies for Group in Parliament\textsuperscript{46}</th>
<th>Linked European Political Party</th>
<th>2012 Grant</th>
<th>Linked Political Foundation</th>
<th>2012 Grant</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>S&amp;D</td>
<td>€ 14,907,889</td>
<td>Party of European Socialists</td>
<td>€ 4,323,313</td>
<td>Foundation for European Progressive Studies</td>
<td>€ 2,794,525</td>
<td>€ 22,025,727</td>
</tr>
<tr>
<td>Liberal Democrats, Alliance</td>
<td>ALDE</td>
<td>€ 6,673,356</td>
<td>Alliance of Liberals and Democrats for Europe Party</td>
<td>€ 1,950,344</td>
<td>European Liberal Forum</td>
<td>€ 995,300</td>
<td>€ 9,619,000</td>
</tr>
<tr>
<td>ALDE</td>
<td></td>
<td>€ 6,673,356</td>
<td>European Democratic party</td>
<td>€ 362,826</td>
<td>Institute of European Democrats</td>
<td>€ 238,077</td>
<td>€ 600,903</td>
</tr>
<tr>
<td>Green Party in England and Wales, in Northern Ireland and in Scotland</td>
<td>Greens-EFA</td>
<td>€ 4,319,347</td>
<td>European Green party</td>
<td>€ 1,333,372</td>
<td>Green European Foundation</td>
<td>€ 864,932</td>
<td>€ 6,517,651</td>
</tr>
</tbody>
</table>

\textsuperscript{45} \url{http://www.europarl.europa.eu/aboutparliament/en/00264f77f5/Grants-to-political-parties-and-foundations.html} \url{http://www.europarl.europa.eu/groups/accounts_en.htm} \textsuperscript{46} European Parliament, Group Accounts; \url{http://www.europarl.europa.eu/groups/accounts_en.htm}
<table>
<thead>
<tr>
<th>Party</th>
<th>Group</th>
<th>Political Alliance</th>
<th>Budget 2007</th>
<th>Budget 2008</th>
<th>Budget 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish, Welsh and Cornish nationalists</td>
<td>Greens-EFA</td>
<td>European Free Alliance</td>
<td>€ 382,259</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservatives</td>
<td>European Conservatives and Reformists</td>
<td>Alliance of European Conservatives and Reformists</td>
<td>€ 1,138,751</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sinn Fein</td>
<td>European United Left–Nordic Green Left</td>
<td>Party of the European Left</td>
<td>€ 835,049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UKIP</td>
<td>EFD</td>
<td>Movement for a Europe of Liberties and Democracy (UKIP is not a member of a pan-EU party)</td>
<td>€ 457,730</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BNP</td>
<td>None</td>
<td>European Alliance for National Movements</td>
<td>€ 186,292</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>One ECR MEP⁷⁷</td>
<td>European Christian Political Movement</td>
<td>€ 241,807</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>None</td>
<td>EU Democrats</td>
<td>€ 195,364</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>€ 5,582,553</td>
<td>€ 1,138,751</td>
<td>€ 679,228</td>
</tr>
</tbody>
</table>

⁷⁷ Christian Union of the Netherlands