Europe: Is the System Broken? A View from National Parliaments

6th Mercator European Dialogue 1-3 February 2019, Rome















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This section gives a short overview of the Mercator European Dialogue and the executive readout of the most important discussions at the sixth Mercator European Dialogue in Rome.

about the mercator european dialogue

THE NETWORK

The Mercator European Dialogue is a network of 150+ members of parliaments (MPs) from 25+ member states. The network convenes in different European cities and its members participate in regular, multilateral and thematic activities — across parties, across political ideologies, across borders. Our network of national parliamentarians aims to be as diverse as Europe itself.

This European network is a project by the German Marshall Fund of the United States in cooperation with the Barcelona Centre for International Affairs, the Istituto Affari Internazionali in Rome, and the Hellenic Foundation for European and Foreign Policy in Athens and is funded by Stiftung Mercator and since 2017 also by the King Baudouin Foundation.

THE 6TH MERCATOR EUROPEAN DIALOGUE

On 1-3 February 2019, 61 Members of Parliaments from 22 EU member states and 40 political parties met in Rome to discuss the question "Europe: Is the System Broken?"

As policymakers seek out innovative formats for constructive political conversations across political divides, the Mercator European Dialogue reaffirmed the power of networks and the impact of informal relations. This report presents the key outcomes and takeaways of the discussions, as well as further resources on the specific policy areas discussed during the intensive two-day participative dialogue.

On Friday, while having dinner at the Ara Pacis Museum located on the bank of the Tiber river, the participants engaged in a conversation with journalists from the Italian newspapers La Stampa and La Repubblica who offered them insights on Italy's current political climate. After the dinner, all participants took part in an immersive multi-sensory visit of the Ara Pacis with virtual and augmented reality.

Over the course of the following two days, the MPs engaged in a hands-on participatory process of political dialogue with the aim of deepening their understanding of the crucial challenges our shared political system is being faced with, at the national and European level, to share their own country, regional and political perspectives with colleagues and experts and thus contribute to a **joint diagnostic about the state of European democracy**.

They explored individual challenges, as well as areas that are often perceived as symptomatic of system failure: broken institutions, mismanaged migration, economic malfunctions and distrust in politics in the digital age. Building on their shared observations and expert input, participants engaged in a reflection on what keeps societies together in times of disruption and crisis, with the opportunity to share own best practices while hearing from innovative practitioners at the forefront in the fields of governance and democracy innovation.

executive summary

On 1-3 February 2019, 60 members of parliaments from across Europe, representing 22 countries and 48 parties, came together in Rome to discuss the question "Europe: is the system broken?"

In an open conversation lasting two full days, the parliamentarians explored the meaning of system failure with experts such as Nik Gowing and Ivan Krastev; they delved into contentious policy areas and shared views from their own backgrounds; exchanged with policy innovators such as Francesca Bria or Juha Leppänen to learn about new approaches to policymaking; and developed ideas to overcome the current situation of perceived deadlock and increasing polarization.

The latter are a phenomenon observed by many of the participants who reported that that they found themselves in uncharted territory as voters seem to realign their expecations of political representatives. After the parliamentarians shared their experiences, the group explored the glue that holds societies together to better understand how policy-makers could contribute to cohesive societies capable of policial compromise and effective decision-making.

As parliamentarians, the participants reached the conclusion that tools of participatory policymaking, while contested and possibly risky, were the most important path forward in reforming how our system works.

On a European scale, it could be observed that technical and process solutions seem to be in high demand while large steps towards further European integration are no longer understood as feasible options.



KEY TAKEAWAYS AND MESSAGES

Europe: Is the System Broken? Politicians express a mixed verdict yet highlight the need for new political processes and a different kind of political leader as a key shared challenge across Europe.

Policymakers seek out innovative formats for constructive political conversations across political divides.

On Europe and the end of bigness: aspirational thinking seems to be at an all-time low, as politicians seek pragmatic solutions and focus less on the big players Germany and France.

What are the next steps for participatory political processes? More best practice sharing on how to ensure legitimacy and adequate responsibility is needed.

More engagement with antiestablishment and euroskeptic voices is in demand as politicians increasingly recognize the legitimacy of the popular sentiment driving their electoral successes.

Spreading the word: The value of thought-provoking convening and how it can influence the broader policy debate is recognized.



Note: Any quotes mentioned in this report can be attributed to participants of the event while respecting their anonymity under Chatham House Rule.

This section summarizes both expert input and the discussions between MPs at the sixth Mercator European Dialogue on the healine question: is the system broken? This opening debate set the scene for the ensuing two-day convsersation.

europe: is the system broken?

MEASURING SYSTEM PERFORMANCE

Despite a lack of consensus on the system being broken, even the system's defenders understand the status quo as untenable and seek new ways forward for political engagement with citizens and among political stakeholders.

"Like it or not, we can't continue with the ordinary policy we have followed for years. We don't only need innovation because the digital age is here but because the earlier societal trends and indices are not valid anymore. We need to understand the frustration of people more to offer solutions."

Traditional indicators of well-being – such as GDP, security, accountability – reveal a mixed picture across Europe when it comes to system performance. Yet somewhat independently of performance indicators, the challenge of citizen dissatisfaction and distrust in politics is shared across countries and political parties (conservative- liberal, new parties and established ones).

"In my country, things [economy, quality of life] are actually improving, but people have a perception that they are getting worse."

The existential challenge for today's democracies is that of strategic communication and engagement with citizens, as politicians feel a growing mismatch between citizen expectations and what parties can deliver. This alarming perception gap seems to be widening and is identified as a possibly more urgent and existential challenge than delivery on single policy areas.

The guiding question of the 6th Mercator European Dialogue appealed to the fundamental organization and interaction of Europe's social, political, and economic system(s). The scale of local, national, and global crises and disruptions has taken on a new level in the past years. Strategic policymaking becomes more difficult when basic assumptions and facts are constantly being called into question by new developments.

Throughout the different thematic areas explored in the dialogue, politicians expressed a mixed verdict: while some were more supportive of the current institutional set-up, there was a general sense that current stresses to the system highlight a shared **need for new political processes** and a **different kind of political leadership** across Europe.

Politicians recognize traditional forms of engagement with citizens are failing to produce trusting relationships between political leaders and electorates and seek new ways to communicate and actively engage citizens in political dialogue to rebuild trust in politics.

"If we cannot meet the expectations maybe we should lower them – the question is how do we do that and not lose our seat."

A new kind of leadership is needed, with a new skillset and mindset — humbler and more honest communication — that is able to engage citizens in new ways to rebuild trust. This is a fundamental prerequisite for a political system to be able to innovate and "fail safely" while navigating fundamental societal change. Without the trust of the electorate the ability of political forces to engage in future-oriented and innovative policy thinking is gravely compromised.

"It resonates with my own personal experience that the conformity that qualifies us to make it into politics, to successfully get elected, maybe disqualifies us from being the politicians that we want to be once we are elected. I was voted in because I was supposed to fight the establishment and now one year later I am the establishment. I don't know how that happened, but maybe the people are right and I am disconnected."





"We should acknowledge complexity to avoid creating false expectations."

"Even if it may not be broken, the system needs fixing."

"My country has 5.5 percent of GDP growth as a developed country – right now I just don't understand [dissatisfaction] – is it the economy? Is it rather a need for belonging?"

"I take away a greater urgency to review my everyday mechanisms for communicating and engaging with my electorate. Disengagement is dangerous for democracy and we all have to do better."

"Decision-making power today is about the power to connect – the power to engage in a decision-making process, not to make one isolated decision."

"The system is not broken, it's just fragile and needs to be fixed. And through dialogue I found co-workers to work on it."

WHAT DO THE EXPERTS SAY?

Expert Spotlight: Nik Gowing



Nik was a main news presenter for the BBC World News between 1996 and 2014. He is a visiting professor at King's College London and Nanyang Technological University, Singapore and has been a member of the councils of major think tanks like Chatham House.

Thinking the Unthinkable

Nik Gowing and Chris Langdon argue that the failure of leaders to adapt to the pace of change can be explained by the conformity required to reach the top in the first place. Leaders restrain themselves from admitting the faults of their own institutions as they fear that this would weaken their own position. This resonates with national MPs, who reflected on this argument in the discussions.

Gowing, N. & C. Langdon (2017). Thinking the Unthinkable. Woodbridge, UK: John Catt Educational Ltd.

Expert Spotlight: Ivan Krastev



Ivan Krastev is the chairman of the Centre for Liberal Strategies in Sofia and permanent fellow at the Institute for Human Sciences, Vienna. He is a founding board member of the European Council on Foreign Relations, and a contributing opinion writer for the New York Times.

After Europe

The European project created a system in which member states harmonized their legislation and regulation. This created a tendency to generalize the debate on policy challenges as well as solutions. In reality, however, Europe is a compilation of multiple speed societies, which face individual questions when looking towards the future. As Ivan Krastev notes, Europe is "different from Kanton to Kanton."

» Krastev, I. (2017). After Europe. Philadelphia, PA: University of Pennsylvania Press

Expert Spotlight: Judy Dempsey



Judy Dempsey is a nonresident senior fellow at Carnegie Europe and editor in chief of the Strategic Europe blog. She previously reported for the Herald Tribune, the Financial Times, the Irish Times and the Economist.

Judy Asks: Europe — Is the System Broken?

Carnegie Europe's Judy Dempsey participated in the discussions and picked up the event's guiding question in her biweekly 'Judy Asks' column at Carnegie Strategic Europe. The column features five members of parliament from the Mercator European Dialogue parliamentary network and three Mercator European Dialogue experts.

Dempsey, J. (2019). Judy Asks: Europe - Is the System Broken? Carnegie Europe

This section portrays in detail a selection of system failures that were discussed at the sixth Mercator European Dialogue. Each system failure was discussed at a topic table in the presence of an expert to better understand how these particular aspects play out throughout Europe.

broken institutions

Over the past three decades, European citizens' trust in political institutions such as parliaments and courts has declined,¹ leading to low voter turnouts and a general disapproval of policies that are considered to not be in the people's interest. European citizens perceive a general decline in the quality of governance as well as a failure to reform and address these challenges.²

The United Nations Sustainable Development Goals consider peace, justice and strong institutions (SDG16) as crucial for the fulfilment of all other goals. Stable institutions can be measured through various factors, such as government efficiency, democracy and representation, upholding of human rights, the rule of law, transparency, and accountability.³

Traditional reform seems to be incapable of adapting to the demands of the fast-changing sociopolitical developments in Europe and around the world.⁴ In the face of rapid technological innovation, an aging population, shorter economic cycles and other societal changes, slow processes in governance and governmental reform fail to meet the demand for continuous adaptation in policy.⁵

Disproportionate influence of some interest groups on institutional processes may lead to regulatory biases and unequal benefits, undermining trust in fair institutions. In the discussions, MPs reflected on the challenges of self-regulation for politicians and political reform.

At the EU-level, the institutions that have been set up with competencies beyond the state-level are suffering from a lack of democratic accountability. European policies are often a result of inter-state bargaining rather than being developed by a genuine European government that citizens could hold accountable. As a result, 'European solutions' that have traditionally focused on limiting the nation-state and awarding monitoring mechanisms to Brussels have lost their appeal.

MPs discussed how the ideas of 'more Europe' and 'more powers to the nation-state' could be reconciled through flexibility in different policy areas. More integration in some areas is still favoured, but it must also come with stronger mechanisms of citizen input and control.

One MP noted: "Instead of just having europhiles and euroskeptics, we should have more 'euroexigents' [people who demand high standards from the EU without being critical of the concept of a union]. But this requires more transparency."

Expert Spotlight: Angelos Chryssogelos



Angelos Chryssogelos is Berggruen-Weatherhead fellow at the Weatherhead Center for International Affairs, Harvard University. His research interests lie in the intersection of domestic and international politics, and the EU's crisis of governance.

Expert Spotlight: Susana Coroado



Susana Coroado is vice-chairwoman of Transparency International Portugal. Susana has written several reports on SDG16, lobbying, money laundering and golden visas, and is currently conducting research on regulatory capture.



"We have homework to do when it comes to fighting corruption and non-transparency. This includes institutionally discouraging lobbyists from taking political positions for a specific period of time, filtering campaign contributions, and monitoring MPs' appointments after they leave parliament."

> "When I first became an MP, and reviewed my first budget, I found a lot of items that showed business capture of policymaking."



- Policy Performance and Governance Capacities in the OECD and the EU: Sustainable Governance Indicators 2018. SGI. (2018). Bertelsmann Stiftung
- >> The EU's Crisis of Governance and European Foreign Policy. Chryssogelos, A. (2016). Chatham
- **» Lobbying in Europe: Hidden Influence, Privileged Access.** Transparency International (2015)

(mis)managed migration

Although migration flows across the Mediterranean have significantly decreased, European citizens still continue to consider immigration their main concern. Three years after the peak of the migration crisis, the debate is as emotional as ever. Debates on the Dublin regulation, Schengen, and the welcoming of migrants saved at sea have left EU member states in a political gridlock.

Survey results have shown that attitudes towards immigration have become more negative in the past three years. However, they fail to provide a sophisticated picture of the conflicting perceptions on immigration held by the majority of the population. Instead, public opinion polls and media reporting tend to propagate a simplified image of a divided and polarized public.

Immigration is a sensitive topic that poses fundamental challenges to democratic societies as it touches upon

the central component of state sovereignty: the admission or exclusion of aliens. MPs discussed how the topic of immigration bridges a variety of controversial topics, such as security and national identity, religion and terrorism, the divide between ordinary citizens and the elites, and the decline of social trust. Understanding opinions towards immigration and refugees therefore requires a look at the more fundamental values people adhere to. The discussion also showed that there is no "general public" but that societies in each country are divided in different segments and driven by different values and concerns. However, social media and non-traditional channels contribute to the crystallization of the debate around radically opposed positions on migration (open borders vs fences and push-back). This simplistic view risks paralyzing EU Institutions and member states, and in turn exacerbate citizen dissatisfaction and frustration

Expert Spotlight: Miriam Juan-Torres



Miriam Juan Torres González is senior researcher at More in Common. Her research focuses on attitudes and perceptions of immigration in member states, exploring how psychological vulnerabilities and cognitive biases are targeted to produce behavioral change, and translate into political action.

Expert Spotlight: Gerald Knaus



Gerald Knaus is chairman and founder of the European Stability Initiative. His work focuses on border management and on asylum seekers and migrants since the conflict in the Balkans in the 1990s. He is the ideator of the EU-Turkey statement signed in March 2016.



"Open borders are the best and the worst thing that happened to countries like Bulgaria." "Migration is a topic that will not go away, and the argument of economic benefits is not convincing enough unless you are already convinced about it."

"We need a more global view on migration rather than just solutions at the EU level."

"Migrants from Ukraine are enriching Poland, they are culturally similar to us. But the government is creating a perceived 'threat' of immigration, fostering hatred towards immigrants and politicians. This is accelerated by partial media." "Population movements are not just to Europe, but mostly within Europe. Many countries experience population flight and have to adapt to this situation."



- **Europe divided? Attitudes to immigration ahead of the 2019 European elections**. Drazanova, L. (2018)
- » Migration, social polarization, citizenship and multiculturalism. IDEA (2017)

(dis)trust in politics in the digital age

At a time of perceived increased insecurity, trust becomes existential to social cohesion and effective policymaking, particularly when governments need to implement structural reforms with long term benefits.⁸

Declining social trust is a driving factor of political polarization. While a degree of polarization may be desirable as it motivates political participation, excessive polarization can make governance more difficult, limiting the capacity for reform⁹ and inhibiting a system's ability to innovate and address issues of major public concern that require broad majorities.

Digitalization has significantly altered the way in which people engage with one another and has changed the modus operandi of civic engagement. Citizens that are not directly involved in their communities develop less social capital and are less likely to view the government and its institutions favorably.

With the emergence of a digital public sphere, new challenges have emerged. Online echo chambers, manipulation of information, microtargeting and disinformation strategies pose a fundamental challenge for democratic debate and political processes.

MPs discussed the engagement/manipulation dichotomy implicit in the use of microtargeting and political crowdfunding strategies and their implications on public trust. They reflected on how the advantages in reaching and targeting broad audiences needed to be reconciled with citizens' concerns about the dissemination of their personal data and their manipulation for political purposes.

The discussion also highlighted how social media have transformed political discourse and encouraged the weaponization of content to entrench polarization and conflict. Disinformation strategies and 'fake news' play on peoples' social, economic, and cultural insecurities and create inflated threat perceptions. Such polarizing outcomes could be mitigated by education specifically training citizens to distinguish fake news.

Overall, MPs noted that legislation on digital tools needs to keep the balance between freedom of speech and protecting citizens from biased information.

Expert Spotlight: Sophia Gaston



Sophia is the director of the Centre for Social and Political Risk at the Henry Jackson Society, and research fellow at the London School of Economics and Political Science. She conducts major comparative research projects to analyze social and cultural crises, political change, the media and democracy.

Expert Spotlight: Sam van der Staak



Sam van der Staak is senior program manager at the Institute for Democracy and Electoral Assistance International. His analysis concentrates on citizen movements, the crisis of representation, political parties, money in politics, and technology.



"Do not underestimate perceptions. If citizens feel something is bad, it will need to be addressed." "What can be done if it is governments promoting fake news? What to do if there are actors taking advantage of liberal rules? Or political rivals whose temptations are too big to abide by the rules? Is it possible to use the same tools and strategy but to disseminate true news?"



- >> Trust. Ortiz-Ospina, E., & Roser, M. (2018). OurWorldInData.org
- » Digital Parties Portal. IDEA. (2018)
- Why fascism is so tempting and how your data could power it. Harari, Y. N. (2018). TEDx, available on Youtube,

economic malfunctions

Traditional economic indicators no longer give us an accurate depiction of societal well-being and prosperity. Even when indicators such as GDP or unemployment rate paint a positive economic picture, the subjective first-hand experience of citizens may tell a different tale. Critical observers of the economic system thus advocate for the need for new metrics of prosperity.¹⁰

Macro-level indicators fail to capture the nuances of EU member states, obscuring realities of inequality and economic stagnation. As these general indicators, such as GDP or unemployment rate, paint a picture of Europe slowly re-emerging from crisis, at a member state level, indicators show alarming and persistent imbalances that can and have contributed to heated political conflict and landslide victories for anti-establishment parties.¹¹

Compared to a generation ago, economic inequality has generally increased in Europe. While economic insecurity is a major factor for low-income households, high-income families see their wealth increase substantially. As the aftermath of the financial crisis continues to take its toll in Europe, financial actors, among them the same banks rescued through the use of public funds, return into the public spotlight due to cases of legal and illegal tax evasion. Economic policymaking is perceived to be

the exclusive domain of people coming from higher income groups, which results in a lack of trust in economic governance.¹⁵

MPs discussed the relationship between inequality and democratic discontent. Addressing inequality through taxation, redistribution, or the upholding of workers' rights is a key challenge shared by all EU member states.

Decisions on economic policies are not only made at the national level, however, but are subject to various regulations and institutions. In the EU, the three key institutions that shape the Member States' competency to make economic policy are: the European Central Bank, the Stability and Growth Pact, and the Banking Union. These institutions regulate and restrain member states' capacity of political decisionmaking on economic policy.

Conventional economic theories favored by mainstream policy experts support this technocratic approach. As such, economic governance in the EU is in a crisis of democratic legitimacy, which democratically elected representatives cannot seem to solve. One MP laments: "There is not enough of a European identity to solve economic malfunctions at the EU level."

Expert Spotlight: Orsola Costantini



Orsola Costantini, is Senior Economist and expert on finance and budget policy at the Institute for New Economic Thinking.

Expert Spotlight: Wanda Wyporska



Wanda Wyporska is an Oxford-educated fighter for more equality in society and education in particular, with executive, research, and speaking roles in several institutions.



"Convergence is being inhibited by enablers of tax evasion. This prevents actual free movement."

"The different size of member states in the EU has a bearing on their economic sovereignty."

"The incomplete architecture of the currency area still has not been fixed 10 years after the crisis."

"There is an ideological fight between those who consider the markets infallible and those who consider democracy infallible. We need to strike the right balance."



- **Can Europe strengthen its "economic sovereignty"?** Daianu, D. (2018). European Council on Foreign Relations
- » Inequality: the real political poison of our time. Wyporska, W. (2017). International Politics and Society
- » Italy holds a mirror to a broken Europe. Institute for New Economic Thinking. Costantini, O. (2018)

After discussing system failures, the participants heard from experts what is the glue that keeps societies together and spoke with innovators who had applied system fixes. The presentations and ensuing conversations are summarized here.

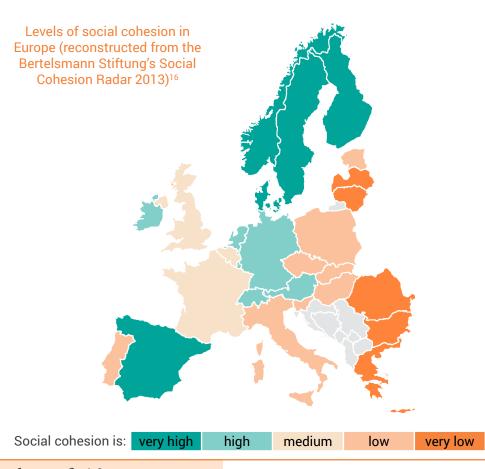
keeping societies together

There are many stresses to our current social and political systems and there is a growing perception that polarization is driving societies apart.¹⁷ In opposition of this narrative, what is it that holds societies together and creates a sense of unity? How do you measure social cohesion?

Social cohesion can be defined as the relations, connectedness and perceptions of the common good that individuals experience. ¹⁸ It depends on three main factors: economic prosperity, equal income distribution, and technological progress towards achieving a knowledge society.

It is disputed whether social cohesion should be an aim of societal action through government. In undemocratic governments, social cohesion may be fostered as a means of the political elite securing its powers. In democratic societies, however, social cohesion is important as it leads to increased happiness and life satisfaction. It also strengthens democracy, as it is necessary for the balancing of individual rights and collective responsibilities.¹⁹

Social cohesion, as measured through the Bertelsmann Social Cohesion Radar in 34 OECD countries, is strongest in Denmark, followed by Norway, Finland and Swe-



den and lowest in Southeastern Europe and two of the three Baltic countries (Latvia and Lithuania).²⁰ Between 1989 and 2012, the levels of social cohesion in all the countries studied have remained remarkably stable. Changes have been relatively small, except in one aspect: trust in financial institutions have seen substantial decline in this period.

While this data indicates that social cohesion is a rather stable attribute of a society, current political developments and polarization of language, parties, and social groups, increasingly paint a picture of fragmentation and disruption.²¹ Political parties, which are supposed to provide the bottom-up democratic platform that includes citizens in the decision-making process, are today the most distrusted public institution.²² They fail to overcome social division and rather reinforce it by tapping into in-group and out-group rhetoric.²³

In the discussions, MPs noted that they had shared areas of social division, irrespective of the overall level of cohesion. For instance, the rural-urban divide or inequality were seen as main causes of division. A Danish MP mentioned: "I come from a country with high social cohesion, but all the points that you mention I also see in my country."

The way forward in overcoming social division in times of disruption is through the coupling and decoupling of social networks. Bonding with existing social groups such as church, sports, or civil society organizations is as important as bridging the gap between some of those groups. "Bridging social capital" or rebuilding trust and reciprocity between individuals by building social networks across group divides can overcome divides on the macrolevel.²⁴

There are several examples of such initiatives. In 2017, in the run-up to the election of the German Bundestag, the German newspaper ZEIT ONLINE initiated the platform "Germany Talks" (*Deutschland spricht*). Through this initiative, thousands of people with opposing political views met up face-to-face to have an open conversation. While such conversations can be uncomfortable, participants of the experiment reported that they had met each other with respect.²⁵ Many mentioned how they had found similarities with their partner, despite their obvious ideological differences.

Expert Spotlight: Klaus Boehnke



Klaus Boehnke is professor of social science, methodology and psychology & methods at Jacobs University Bremen. His research interests include political socialization, value change and value transmission as well as methods of empirical social research.

Expert Spotlight: Anatol Itten



Dr. Anatol Itten is the managing director of the Disrupted Societies Institute. He has more than eight years of professional experience in public policy advocacy. His work has been published in international peer-reviewed journals and books.



- **My Country Talks.** (2019), online resource.
- » Social Cohesion Radar: Measuring Common Ground. Drogolov et al. (2013). Bertelsmann Stiftung
- Overcoming Social Division. Itten, A. (2018). Routledge

system fixes in times of disruption // lessons for participatory poltics

Considering the failures of our political systems, there is a widespread debate about the potential of participatory political processes in overcoming the perceived disconnect between politics and citizens. ²⁶ Participatory politics is no longer a niche interest and identified by politicians across the political spectrum as the avenue with most potential for improving the political system.

At the same time, MPs remained cautious about negative outcomes of such approaches. They noted that certain questions cannot be decided via popular vote in an overly simplified manner and voiced their concern that

such experiments could lead to politicians not being held accountable as they would not have to take responsibility for decisions taken by the people.

With such concerns in mind, MPs were extremely interested in exploring best practices and acquiring knowledge on how to implement new forms of governance that would ensure appropriate participation while avoiding a shift of responsibilities. Examples such as political bodies drawn by lot or advisory citizens' councils were thought of as promising.



"These initiatives [for more participatory democracy] close a trust gap and an information gap between politicians and constituents. But they require decentralization."

"Deliberative democracy must give away power without denying responsibility." "The referendum is the emergency brake of politics – and we often use it as a coward's way out."

"Participatory politics could decrease the quality of political leadership because it takes courage to take difficult decisions. We may lose the bigger ideas and visions."

"We've promised simplicity, and we're delivering complexity" — "We should acknowledge complexity to avoid creating false expectations."

SYSTEM FIXES // TECHNOLOGICAL SOVEREIGNTY AND INNOVATION

With constant technological developments, policymakers increasingly find themselves reacting to the demand for regulation rather than steering the debate. Big tech companies such as Facebook create value by collecting the data of their users and selling them for advertising and marketing purposes.

On the other hand, technology has the potential to be a powerful tool that can serve citizens' needs if used in a democratic and transparent way. By reconceptualizing data as being a common good, governance can regulate the use of such data in the interest of the citizens.²⁷

Expert Spotlight: Francesca Bria



Francesca Bria is senior researcher and advisor on information and technology policy. She is an adviser for the European Commission on future internet and innovation policy and currently the Commissioner of Digital Technology and Innovation for the city of Barcelona in Spain.

CASE STUDY: BARCELONA, A SMART CITY

The city of Barcelona led the way in rethinking data ownership and citizen participation since 2016. It introduced platforms such as Decidim ("We decide"), on which citizens can actively participate in government by proposing and debating ideas.²⁸

On this platform, citizens can view their personal data and control their use. The regulation of data use and ownership has become an essential aspect in contracts with private companies that are providing public services to the city of Barcelona.²⁹



- **The Decode Project.** DECODE. (2019) Online resource.
- **How Barcelona's smart city strategy is giving 'power to the people'.** Forster. R. (2018). Cities Today.
- **Barcelona City Council technological sovereignty guide.** Bria, F. (2017). Ajuntament de Barcelona.

SYSTEM FIXES // EXPERIMENTAL POLICYMAKING

Experimentation has a long tradition in fields such as science, medicine, or business. Only recently, however, has it found its way into the policymaking process.³⁰

Experimentation in policymaking allows for an evaluation of policy impacts and consequences on a small scale. Such experiments can reveal unintended consequences and offer the opportunity to adapt to change or the lack thereof. As such, experimental policymaking creates a space to 'fail safely' in governance.

Expert Spotlight: Juha Leppänen



Juha Leppänen is the chief executive of Demos Helsinki, a leading independent Nordic think tank. Juha is social scientist and has lead multiple strategy, foresight and innovation processes for both public and private institutions.

CASE STUDY: BASIC INCOME IN FINLAND

In 2016, the Finnish government introduced a bill that initiated an experiment of providing 2,000-3,000 randomly selected citizens receiving employment benefits with a monthly basic income. Since the conclusion of this experiment in 2018, there are several reports on the takeaways and lessons learnt.³¹

Preliminary evaluations indicate that this experiment is a useful pilot project.³² Future approaches can take the learnings from the trial and adapt them for improved experiments that can in turn reveal valuable lessons for the Finnish government in designing social policy.



- **Design for Government: Human-centric governance through experiments.** Demos Helsinki (2015)
- >> The key takeaway from Finland's universal basic income experiment is that countries need to learn from each other. McRae, M. (2019). Independent

SYSTEM FIXES // DELIBERATIVE DEMOCRACY

The crisis of liberal democracy expresses itself through a disconnect between the citizens and decision-makers. Including citizens' voices in the policymaking process through participatory-deliberative processes can strengthen the legitimacy of representative bodies without diffusing responsibility from leaders.

So far, deliberative processes in policymaking have mostly been implemented at the local level. In order to open up the black box of policymaking on the regional or national level, institutional hurdles need to be recognized.³³

Expert Spotlight: Claudia Chwalisz



Claudia Chwalisz is leading the OECD's work on innovative citizen participation. She is the author of The People's Verdict: Adding Informed Citizen Voices to Public Decision-making (2017) and The Populist Signal: Why Politics and Democracy Need to Change (2015).

CASE STUDY: MELBOURNE'S PEOPLE'S PANEL

In 2014, the council of the city of Melbourne, Australia, decided to include the voices of citizens in deciding on the priorities of its upcoming 10-year financial plan (worth AU\$ 5 billion). The people's panel consisted of 45 citizens who were randomly chosen, stratifying for age, gender, ratepayer status and location, which resulted in a fairly representative group. 34

After several meetings of the people's panel and the city council as well as other stakeholders and experts, the people's panel gave its recommendations to the city council. Ultimately, the city council adopted 10 out of 11 of the people's panels key recommendations. This case represents a successful example for how citizen involvement can effectively inform the policymaking process.



- >> The People's Verdict: Adding Informed Citizen Voices to Public Decision-Making. Chwalisz, C.. (2017). Policy Network
- **>> 10-Year Financial Plan.** Participate Melbourne (2019)

Two overarching obervations that were made at the sixth Mercator European Dialogue, and that were reflected in the expert presentations by Ashoka Mody and Katrin Auel, were the end of bigness in European politics and the potential of national parliaments in the European political arenas.

europe and the end of bigness

The idealism associated with the European Union as contributing to a Europe of values and rights has faded in the light of multiple crises, such as the eurozone crises, Brexit, and growing polarization in and between member states. In this context, voices from across Europe describe a loss of attention towards what are typically seen as Europe's big powers — notably France and Germany. One MP from an Eastern European country

notes: "We used to look to Germany, perhaps even France and be constantly disappointed - nothing ever happened. Now we don't have that same reflex. I don't expect anything to come out of it." Instead, parliamentarians favor incremental and pragmatic solutions pursued at smaller scales and involving direct cooperation between states. Not all policies should be 'Europeanized'.

EuroTragedy: A Drama in Nine Acts

Ashoka Mody argues that the setting-up of the monetary union with a single currency ignored existing inequalities. It placed an additional burden on economically and socially weaker countries by taking away key sovereign powers such as setting interest rates. In the time of crisis, stronger member states were unwilling to show solidarity.

Mody, A. (2019). EuroTragedy: A Drama in Nine Acts. Oxford University Press.

Expert Spotlight: Ashoka Mody



Ashoka Mody is Charles and Marie Robertson visiting professor in international economic policy at the Woodrow Wilson School, Princeton University.



DISCUSSION HIGHLIGHTS

"It seems that further integration is quite simply off the table. This goes against everything I have ever hoped and believed but it is evident from these conversations — it is simply not a topic of conversations."

"We are all for Europe but for different versions of it."

"We need our policies to be realistic, and we have to work within the limits of empathy."

"We should go back to a system that allows each country to adopt change at its own pace." "I never realized how little we are willing to compromise politically."

"The level of ambition on Europe has never been so low."

national parliaments as multi-arena players

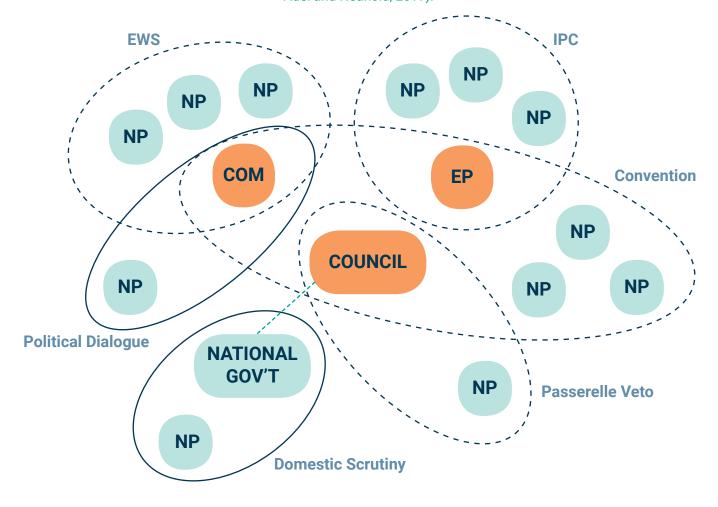
In 2009, national parliaments were awarded several tools for scrutinizing and shaping EU affairs. These tools include expanded information rights, monitoring and reviewing treaties, and an early warning system (EWS). A special recognition was further awarded to inter-parliamentary cooperation. Overall, national parliaments became active and independent actors in the European Union.³⁶

Despite these competencies awarded to national parliaments to actively participate in the EU legislative process, there is a great discrepancy of actual levels of engagement between different parliaments. The difference of parliamentary involvement depends to a large extent on

institutional factors, such as the quality of information, staff, prioritization, and division of labor within committees. Parliaments with strong institutional capacities are more likely to make use of their formal rights to scrutinize the government's EU policies within the domestic arena.

While institutional factors enable parliamentary involvement in EU affairs, they do not guarantee it. Actual involvement depends on parliamentary traditions and the motivation of individual parliamentarians to make use of their formal rights. This is especially relevant in the context of parliamentary dialogue and engagement with EU affairs not in the domestic sphere, but in the EU arena.

The role of national parliaments (NP) as multi-arena players (Recreated from: Auel and Neuhold, 2017).³⁵



Parliaments can learn from each other when it comes to best practices for involvement in European affairs. This also applies to their role as communicators. Apart from scrutinizing EU legislation and shaping it through active engagement, parliaments are responsible for making EU affairs public in their respective countries. By doing so, they are able to overcome the 'democratic disconnect' and provide a link between citizens and EU institutions, which are perceived as bureaucratic and distant.

Expert Spotlight: Katrin Auel



Dr. Katrin Auel is associate professor and head of the research group 'European Governance and Public Finance' at the Institute for Advanced Studies in Vienna.



"MPs need to explain, educate, and communicate what representative democracy stands for. It is our duty to verify what the government is saying for the people."

"We need to be more honest regarding our impact."

"Decisionmaking power today is about the power to connect — the power to engage in a decision-making process, not to make one isolated decision."



- * 'Europeanisation' of National Parliaments in European Union Member States: Experiences and Best Practices. Auel, K. & Neuhold, C. (2018). Study for the European Parliament's Greens/EFA Group
- >> The Role of National Parliaments in the EU after Lisbon: Potentialities and Challenges. Rozenberg, O. (2017). Directorate-General for Internal Policies. European Parliament

STAY IN TOUCH





The Mercator European Dialogue Network brings together 150+ members of parliament from all over Europe – do you want to hear from them directly? Join our exclusive Facebook group or log on on our webiste to get access to all contact data, exlusive documents and all network-related information.

www.mercatoreuropeandialogue.org https://www.facebook.com/groups/mercatoreuropeandialogue/







THE MERCATOR EUROPEAN DIALOGUE AT A GLANCE

The Mercator European Dialogue is working to transform the way politicians talk about and with each other in Europe. Turning European politics on its head, one conversation at a time. Across parties, across political ideologies, across borders. Our network of national parliamentarians is as diverse as Europe itself.

The network serves as a platform to the EU's ca. 10,000 national parliamentarians. Its active network comprises over 150+ members from 25+ member states, representing around 70 different political parties.

The Mercator European Dialogue is a chance for Members of Parliaments to share and (co-)generate ideas with colleagues from across Europe and translate these into avenues for action at the national level, in an informal space for shared conversations, a trusting environment and openagenda format.

Our members convene regularly for dialogues, conference calls, fact-finding missions, expert workshops, and other activities.

Since 2017, the network also empowers parliamentarians to develop their own cooperative, cross-party, cross-country spin-off initiatives. Our policy experts from four internationally renowned think tanks offer input to ensure the highest quality of dialogue.



THE DIALOGUE EXPERIENCE: FEEDBACK FROM OUR MEMBERS







"A very good concept — an innovative way of creating parliamentary networks outside of formal protocol."

"It is an opportunity to have a conversation with my EU peers, away from daily politics and not too influenced by national party political lines."

"I found the process very innovative and enjoyable. It gave everyone a chance to get their viewpoint across."

"An enriching experience for my activity as a member of parliament."







A EUROPEAN PROJECT BY A EUROPEAN NETWORK OF PARTNERS

This European network is a project by the German Marshall Fund of the United States in cooperation with the Barcelona Centre for International Affairs, the Istituto Affari Internazionali in Rome, and the Hellenic Foundation for European and Foreign Policy in Athens and is funded by Stiftung Mercator and since 2017 also by the King Baudouin Foundation.

The consortium is not merely spread across the continent to create regional points of contact. It also brings together top-notch researchers from some of Europe's most influential political think tanks with different regional and thematic foci. This helps to ensure the best possible quality of informed conversations within the network. GMF and IAI take on the special role of lead research coordination for the MED.



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