

Alexander Balthasar | Klemens H. Fischer [eds.]

# Good Governance Based on a Common Bedrock of Values – Providing Stability in Times of Crisis?

Proceedings of the Conference on European Democracy 2015  
(EuDEM 2015) 27 and 28 April 2015 (Vienna)



**Nomos**

BUNDESKANZLERAMT  ÖSTERREICH

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AND ADMINISTRATIVE REFORM



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## Preface

The fourth Conference on European Democracy (EuDEM 2015) took place in Vienna, at the premises of the Diplomatic Academy and jointly organized on the one hand, as in previous years, by the Institute for State Organisation and Administrative Reform (embedded in the Austrian Federal Chancellery), on the other hand, however, for the first time by the Austrian Institute for European and Security Policy. In addition, we appreciate the attention paid again to our Conference by the European Group for Public Administration (the continental subset of the renowned International Institute for Administrative Sciences).

In this volume the reader will find a representative collection of presentations as well as a summarizing conference report.

We, the editors, do hope that also this year we have been able to contribute substantively to the neverending work in progress: the building, maintaining and augmenting our common polity, Europe.

Vienna/Brussels, March 2016

Alexander Balthasar

Klemens H. Fischer



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## Welcome Address by Hans Winkler

The contributions to this publication build on the two-day conference on European Democracy (EuDEM) held on 27 and 28 April 2015 on the premises of the Diplomatic Academy of Vienna (DA).

So, first of all, let me tell you a little bit about our institution. The DA prepares about 170 graduate students every year from nearly 50 countries from all four corners of the globe for responsible positions in government, European institutions, international organisations and international business.

Students receive a world-class education in international affairs, an endeavour begun by the Empress Maria Theresa when she founded the Oriental Academy in 1754 to prepare young students for functions in the service of the Habsburg monarchy in the Ottoman Empire. Out of the Oriental Academy evolved first the Consular Academy in the late 19<sup>th</sup> century and in 1964 the Diplomatic Academy of Vienna, which in 1996 was given the status of an independent public institution by a special federal law. It was the Federal Minister for Foreign Affairs at the time, later Federal Chancellor Bruno Kreisky who founded the Diplomatic Academy and reopened it in 1964 at the premises belonging to the Theresianum. The idea was to give young people the opportunity to study international affairs, to eventually enter the foreign service of their respective countries or any other international career, to give those young people who maybe could not afford to study abroad an opportunity to gain international experience which was then much more difficult than it is today. In the words of Bruno Kreisky, the goal was the democratisation of foreign policy.

In our Diploma, Master and PhD Programmes, the main academic areas encompass international relations, political science, international and EU law, economics, history and languages. In addition to academic and language training, we offer the acquisition of other skills like intercultural competences, negotiation techniques, management skills etc., which are – like the contributions of the conference and this paper show – essential for positions of leadership, good governance and managing crises of various kinds.

We also encourage our students to participate in the numerous top-class conferences taking place at the DA on a regular basis, as well as other extra-curricular activities. This also includes giving our students – under the

umbrella of the Diplomatic Academy Student Initiative (DASI) – every support in the organisation of charity events, prominent among these the DA ball and the DASI conference and a number of smaller activities. I can assure you that the often heard lamentation of a youth lacking values like solidarity, social responsibility etc. are not valid for our students. It gives me hope that the subtitle of the conference – “Good Governance based on a Common Bedrock of Values – Providing Stability in Times of Crisis” – is not only a catchphrase but lived practice.

The topics of the conference and consequently of this publication also mirror the dedication of the Diplomatic Academy of Vienna to an interdisciplinary academic approach as well as of combining academics and professionals, the interplay between theory and practice.

Prof. Markus Kornprobst, a member of the resident faculty of the Diplomatic Academy of Vienna, takes on the role of a scientific introductory note, so I will not go into detail, but let me mention that it is easy and fashionable to blame the European Union for all problems that exist and speak of a crisis of democracy. I believe that despite the heterogeneity of the members of the European Union and also within society, a common ground of values predominates, including democracy and human rights. Despite its shortcomings, problems and lack of coherence, we should not forget the EU’s achievements and advancements of the integration process. Despite all those crises the will to communicate and find solutions to political challenges will hopefully prevail despite those challenges which maybe have never been so dramatic as today in view of the refugee crises and other problems which can only be solved on a common European level.

It has been a pleasure to host you here and chair a session at the conference. I want to thank all those who have participated in making the conference and publication possible, above all Klemens Fischer and the Austrian Institute for European and Security Policy, and Alexander Balthasar of the Institute for State Organisation and Administrative Reform of the Austrian Federal Chancellery.

I am pleased that the insightful contributions presented at the conference now found their way into published conference proceedings. Therefore, I wish you, the readers of this paper, an informative and interesting read.

## Welcome Address by Werner Fasslabend

Dear participants of the Conference on European Democracy 2015! The Austrian Institute for European and Security Policy (AIES) is proud to co-host this event together with the Austrian Federal Chancellery.

EuDEM brings together practice and theory, something we are missing in politics, administration, and science alike. Only the exchange of these views will set us in the overall picture of the current political challenges.

Today's politics is confronted with a multitude of crisis, challenges, and hidden agendas. Three Points of Highest Crisis Potential and Nuclear Proliferation can be identified globally; two of them can be located in Europe directly or at least in its vicinity, and so having substantial effects on Europe's security interests.

The first Arc of Crisis leads from the Balkans via Eastern Europe and the Caucasian region to Central Asia. This northern arc has highest priority for the European Union as it covers a potential enlargement area. The effects from the economic, security policy and socio-political view shall not be underevaluated. These territories have been from importance for the European security scenario since ever and with the crisis in Ukraine they gained even more importance.

The second Arc of Crisis is called MENA. MENA stands for *Middle East and North Africa* and therefore encompasses the Southern neighbourhood of the European Union. Having a look at the political map of that region, we may identify failing states like Libya, countries with an enormous potential for setting the whole region in fire, like Syria, potential nuclear powers like Iran, the already failed state Afghanistan, the nuclear power Pakistan, and furthermore the self-declared Islamic State. Each of these examples might constitute a significant challenge for Europe, as a total we might called it a threat!

The third Arc of Crisis seems to be far away from Europe. We talk about the Sahel region between the Atlantic Ocean in the West and the Indian Ocean in the East. That region encompasses the Arab-Islamic northern part of Africa and the Christian-Animistic Black African region. The pressure of migration that comes from that specific part of the Black continent is growing with enormous speed.

We can read out of that analysis the following: Europe needs politics that deliver answers in the field of prevention and management of crisis.

*Welcome Address by Werner Fasslabend*

We need these answers in a comprehensible time window that allows us to proactively shape our common future and security.

Without a stable environment, Europe will end as a beleaguered continent, loosing its freedom to act!

The European Union and its Member States will have to deliver what they have promised our neighbours and what they are standing for: The European spirit and the European integration are deeply rooted in democratic action and behaviour, in the rule of law, and in the timeless values of human rights.

EuDEM 2015 will hopefully see engaged discussions and exchange of views, as diverse they might be, and so it will be an example for another cornerstone of the European idea, the freedom of speech.

I wish all of us fruitful debates and new findings for the best of our common future!

## Welcome Address by Alexander Balthasar

Dear participants to EuDEM 2015,

It is a real pleasure for me to welcome you to the 4th Conference on European Democracy which, this year, will focus on “good governance based on a common bedrock of values”. Why so?

I will try to answer this question by just briefly outlining the history of our Conference:

At the very beginning the Austrian Institute for European Law and Policy (AIELP) – after having been involved in promoting the European Citizens Initiative – started a series of workshops in Brussels (from October 2011 to March 2012) dedicated to empirical research work on the potential of the so-called “vertical dialogue” in the meaning of Article 11 (2) TEU. In May 2012, the first Conference on European Democracy was held in Salzburg and intended to draw conclusions.<sup>1</sup> At that time there had been, on European level as well as on the Austrian national and regional levels and in the neighbourhood, a real “hype” of activities aiming at enhancing democratic “participatory” inclusion<sup>2</sup>, also and in particular by elaborating alternatives to traditional representative democracy – which, nevertheless, remains the main model of European democracy, as Article 10 (1) TEU stipulates: “The functioning of the Union shall be founded on representative democracy”.

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1 See Johannes W. Pichler/Alexander Balthasar (eds), *Open Dialogue between EU Institutions and Citizens – Chances and Challenges*. Proceedings of a series of workshops on Article 11 (2) TEU in Brussels 2011/2012 (2013).

2 This hype was reflected e.g. by Theo Öhlinger/Klaus Poier (eds), *Direkte Demokratie und Parlamentarismus. Wie kommen wir zu den besten Entscheidungen?* (2015), but also in activities of the Institute for State Organisation and Administrative Reform (founded 2012 and embedded in the Austrian Federal Chancellery), cf (i) Peter Bußjäger/Alexander Balthasar/Niklas Sonntag (eds), *Direkte Demokratie im Diskurs. Beiträge zur Reform der Demokratie in Österreich* (2014) and (ii) Alexander Balthasar/Peter Bußjäger/Klaus Poier (eds), *Herausforderung Demokratie. Themenfelder: Direkte Demokratie, e-Democracy und übergeordnetes Recht* (2014), mainly building on a trilateral conference on Democracy in Vaduz (organized by the Government of Liechtenstein, the Swiss regional Government of Aargau and the Austrian Federal Chancellery).

Already the second Conference – jointly organized by the AIELP and the Institute for State Organisation and Administrative Reform<sup>3</sup> – took, however, a more sober approach, discussing the implications of the “Final Report of the Future of Europe Group” of several foreign ministers of EU Member States, which sounded quite centralistic and raised concerns whether the balance between “unity” and “diversity” had been struck sufficiently.<sup>4</sup>

In the same vein the third Conference – held in Strasbourg as part of the activities of the Austrian chairmanship of the Committee of Ministers of the Council of Europe – highlighted “Multilevel Governance”.<sup>5</sup>

When we turn now, in 2015, and with a new partner, the Austrian Institute for European and Security Policy (AIES), our attention to the fundamental values enshrined in Article 2 TEU<sup>6</sup>, it is because a multitude of crises in Europe and around it – the financial crisis, the Ukraine crisis, the aftermath of the “Arab Spring” – seem to suggest that “democracy” as well as other formal tools of state organization need a solid substantive fundament in order to provide sustainable results (among them, above all, peace and security for our continent). That is why we completed the focusing on “a common bedrock of values” with the question: “providing stability in times of crisis”?

With this in mind I wish us all fruitful discussions and scientific progress, for the benefit of our common Europe!

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3 See previous footnote.

4 See Johannes W. Pichler/Alexander Balthasar (eds), *The Report on the Future of Europe – Striking the Balance between “Unity” and “Diversity”?* Proceedings of the Conference on European Democracy 2013 (2014).

5 See Alexander Balthasar/Johannes W. Pichler (eds), *Multilevel Governance – from local communities to a true European community*. Proceedings of the Conference on European Democracy 2014 (EuDEM 2014) 5 and 6 May 2014 (Strasbourg) (2015).

6 Also the former partner, the AIELP, took recently that direction, cf. Johannes W. Pichler (ed), *Rechtswerte und Rechtswertebewahrung in Europa* (2015).

## Welcome Address by Klemens H. Fischer

A very warm welcome to all of you on behalf of the Austrian Institute for European and Security Policy.

My dear friend and colleague, Alexander Balthasar, has given us a compact overview on the development of the Conference on European Democracy, its roots, its ideas, and its aims.

From its very beginning, EuDEM has had one particular feature: Its openness for new ideas. EuDEM was, is, and will always be a process, not a static academic meeting.

Alexander and I have been considering the 2015 main topic for some time: Values it had to be!

The developments regarding foreign and security policy had been so overwhelming in the last one and a half years, that we decided to incorporate foreign and security policy aspects from 2015 onwards.

To take up these aspects means an expansion of the focus of EuDEM. Until 2014, EuDEM concentrated on the EU's internal procedures and its internal state of play. Starting with 2015, we will look beyond our borders and will take the situation in our neighbourhood into consideration, too.

Democracy as we know it today is the result of a long process; of a process with cuts and bruises, with highlights and dark moments, with ups and downs.

Nevertheless, we enjoyed a stable and peaceful process since 50 or even 60 years. We have seen the iron curtain fall. We have seen the Warsaw Pact disintegrate and at the same time the European Union enlarge.

The price for peace was – and still is – compromise. The Member States of the European Union give up part of their sovereignty for the sake of a peaceful and prosperous living together in an area governed by democratic rules. Internally and externally, the European Union is not as strong as its smallest Member States [we have of course no Member State that could be dubbed weak] but as strong as the common will to act. This feature seems to be still attractive – even in times of austerity – given the long list of candidate countries and candidate countries to be.

Notwithstanding that long period of peace and democratic living together, we have to face the fact that democracy and its rules are challenged daily, from the inside and from the outside.



The European Citizens are enduring – at least compared to the golden years before the financial crisis – a period of austerity. Many a government of the Union lost its majority in its respective parliament in the course of general elections since then. Still, these governments have been sent from office by democratic elections and have not been overthrown by riots or other means of force. Nevertheless, the loss of trust in politics, in governments, in parliaments, and in politicians is obvious. Trust is one pillar of democracy; the people have to believe in the solution capacity of their representatives. If that vanishes, democracy is certainly in danger. Our structure of values is a key to that trust and confidence.

The democratic system of the European Union will overcome this particular – and: internal – challenge, not at least because of rituals we are used to – one of them changing the government via elections.

Democracy is not only challenged internally as we have seen but from the fringes of our territory, from our nearer and farer neighbourhood, too.

Herfried Münkler stated in his latest study on the Great War (p 760) that post imperial territories face the following challenges: they are politically instable, characterized by ethnic and religious contrast, and they are overstrained regarding the development of democratic structures; the risk of border and civil war is ubiquitous.

The immanent challenge for the European Union and its democratic system is the possible threat of a spill over of instability or even worse.

The threat of a military challenge might be solved by adequate military means, at least as *ultima ratio*.

The import of instability, which seems *prima facie* to be the less dangerous threat, might easily become a major destabilizing force for our system. We have – possibly – to take into consideration unimaginable pressure by asylum seekers from states in our neighbourhood, stronger than today, bigger in figures. Taking into account our reaction shown in the last three weeks, we should not be too sure about our capacity in more overwhelming cases.

Instability has a lot to do with psychology. It is – and so coming back to my former argument – a question of trust in a given system.

How can and how should we act? The important thing is that we act, not react. We have to be proactive. Passive observation of developments in our neighbourhood is not enough.

We have to live our values and we have to export them.

Let me quote again Herfried Münkler. In his view (p 761), the European Union acts for some time in its southeast neighbourhood like a benevolent imperium that invests in its periphery in order to stabilize it.

We might not be happy that Münkler calls the Union an imperium but we should be aware of the positive aspect of Münkler's statement. Everything we are undertaking to stabilize our environment is certainly an essential investment in our future and in the future of our neighbours.

Panel II will in particular deal with the question whether the application of the values in the field of external action is a formula for success or only wishful thinking.

The public discussion in the evening will raise the essential question if values can provide stability in times of crisis.

Both debates will circle around the same question and will examine it from different angles, certainly providing us with new and – hopefully – encouraging aspects.

Before I come to the end of my welcome address, please let me introduce to you two very important persons for our conference:

Sofia-Maria Satanakis and David-Christopher Jaklin, my scientific assistants at AIES will be our note takers through the conference, so providing us with the proceedings of the conference; and they will be – and for that they have my full compassion – our editorial assistants for the publication to come.

We are living in interesting times, as a Chinese saying goes. Let us have lively and, if necessary, controversial discussions that will provide us with answers for the most pressing question of our time: How can we prolong the success story of seventy years of peace in Europe.



## Welcome Address by Edoardo Ongaro

EU governance has changed, in many ways, since 2009-10 when the fiscal crisis impinged on European countries, a crisis triggered by the banking/financial crisis, which demanded of states to take responsibility for financial businesses' liabilities. One prominent feature of the mode of change is the asymmetry it has introduced in the extent to which the European level of governance is influential on public policy: this is evident notably in fiscal policy, a domain in which some EU Member States still retain wide leeway, whilst for others room for manoeuvre is highly constrained.

This is especially evident in the administrative reform policy, the - instrumental yet crucial - policy concerned with the form the public sector takes to deliver all the other public policies (notably including external and security policies). In the past, public administration was a national competence, and according to the treaties it still is, legally speaking. However, mainly due to the asymmetric nature of the impact of the fiscal crisis, that has hit harshly some countries but much less so others, and due to the special intensity of interconnections determined by the common currency (for euro-zone countries), for some countries the European level of governance has nowadays an important say in matters of organisation of the national public sector, whilst this is not the case for other member States (Ongaro, 2014). This creates an asymmetry, in terms of powers and accountability. In terms of powers, as decision-making prerogatives are de facto shifted towards the European level of governance (thereby including the European Council and the Council of Ministers) for some countries, whilst they remain an almost exclusive national prerogative for others. In terms of accountability, as the public in some countries can still hold to account officials elected in national constituencies, whilst the public in other countries is bemused as to whom to hold to account: nationally elected officials, or officials elected in constituencies in other countries? Who is to blame, who is to praise for the results of reforms of the public sector in Greece: the Greek national government, the institutions of the EU, the IMF? All and none at the same time?

External influences have always played a big role in public sector reforms across countries (be them in the form of ideological pressures and fashions, or outright policy transfer dictated by conditionality on loans, as

for many World Bank and International Monetary Fund backed loans), but if we assume (and we do) that the EU is a political system, of which national government, local governments, European institutions are all part of the whole, then within-EU asymmetries are burgeoning, and this poses issues of accountability and hence, inevitably of legitimacy of power.

Moreover, lack of mutual trust among public institutions across levels of governance (both horizontally and vertically) within the EU further exacerbates the tensions due to power asymmetries and intermingled lines of accountabilities. Absence of trust deprives reforms of credibility, and it forces towards ‘contractualisation’ of relations and short termism. Both are recipes for failure, in the long run and not unusually also in the short run. All political systems have some forms of asymmetries. But these have to remain confined within a certain range, and to be compensated by an adequate degree of mutual trust. This is not the case in the EU, and this poses a problem to be urgently tackled.

In the scholarly literature, ‘missing linkages’ have been identified in EU Multi-Level Governance in terms of the theories employed to enhance our understanding of it (Ongaro, 2015). It seems there are also factual missing linkages: notably trust and mutual understanding between decision-makers. These need to be addressed and redressed: even a ‘better governance’ of the EU (whatever it is, and however to achieve consensus to effect it) will be important but not enough without trust and some rebalancing of governance. EU-optimists may well confide in the proverbial EU resilience and adaptability – but these imbalances have to be addressed and replaced by more sustainable balances. Some will have to adapt more, others to adapt less, but processes of political unions are forged by adaptation – the alternative being outright capitulations of some parties to others: but even in those scenarios history teaches that adaptation is required of both parties.

It is time to think strategically of the future of European governance, and the future of the form public administration will take in Europe.

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