

## How to not speak the ‘F-word’: Federalism between mirage and imperative in the euro crisis

ARTHUR BORRIELLO & AMANDINE CRESPIY

*CEVIPOL, Université libre de Bruxelles, Belgium*

**Abstract.** The recent financial and debt crisis has resuscitated the debate about European federalism – a theme that seemed not to have survived the painful constitutional adventure that ended with the ratification of the Lisbon Treaty in 2009. With the adoption of significant policy and institutional measures for tightening macroeconomic and budgetary coordination (including a constitutionally enshrined debt brake), the reforms of the monetary union have undisputedly brought the European Union further on the path towards an ever closer union. In an era where EU integration has been increasingly politicised, and Euroscepticism has been on the rise and exploited by anti-system parties, national leaders have to face a political hiatus and respond to increased needs for symbolic and discursive legitimisation of further federalisation. This is all the more crucial for French and German leaders who have brokered the main decisions during the crisis of the eurozone. Against this background, the purpose of this article is not to assess whether, or to what extent, the recent reforms of economic and monetary union have made the EU more federal. Rather, the purpose is to tackle the following puzzle: How have EU leaders legitimised the deepening of federal integration in a context where support for more European federalism is at its lowest? To elucidate this, a lexicographic discourse analysis is conducted based on all speeches held by the German Chancellor Merkel and the two French Presidents Sarkozy and Hollande, previous to, or after European summits from early 2010 until the spring of 2013. The findings indicate that federalism is both taboo and pervasive in French and German leaders’ discourse. The paradox is barely apparent, though. While the ‘F-word’ is rarely spoken aloud, two distinctive visions co-exist in the French and German discourse. The coming of age of a political union through constitutional federalism is pictured as ineluctable, yet as a distant mirage out of reach of today’s decision makers. At the same time, the deepening of functional federalism in order to cope with economic interdependence is a ubiquitous imperative that justifies further integration. The persisting gap between the constitutional and the functional vision of European federalism has crucial implications. Insofar as the Union is held responsible for not delivering successful economic policy, political leaders will fail to legitimise both functional and constitutional federalism.

**Keywords:** European Union; federalism; discourse; France; Germany

### Introduction: The EU as a conflicted federal polity

The recent financial and debt crisis has resuscitated the discussion about the relevance of conceiving the European Union (EU) as an ever closer union moving towards federalism – a theme that seemed not to have survived the painful constitutional adventure that ended with the ratification of the Lisbon Treaty in 2009. Not only did the federalists take the opportunity to argue that federalism is the only way out of the crisis, there were also newspaper headlines featuring Commission President Barroso’s claim that a European federation will become a reality<sup>1</sup> and Chancellor Merkel’s vision of a federal Europe.<sup>2</sup> In fact, the resulting reforms of the economic and monetary union (EMU) have led the EU into a political hiatus. On the one hand, EMU has been further politicised in a climate

where Euroscepticism was already high. Since its inception with the Treaty of Maastricht, the common currency and its centralised institutional design under the authority of a European Central Bank (ECB) has been the federal side of a 'Janus-faced' integration process (Pinder 1996). While the monetary union was from the outset a conflict-laden process with deeply divergent interests and traditions confronting the two main players – namely France and Germany (Dyson & Featherstone 1999; Chang 2006; Howarth 2007) – this has recently been accentuated as the euro has been feeding hostility towards more EU integration in many countries (including Germany). On the other hand, the costs associated with a possible disintegration of the eurozone persuaded decision makers to deepen macroeconomic integration. This has entailed several rescue packages for Greece, Ireland and Portugal, the setting up of an enduring lending facility (the European Stability Mechanism, ESM), the adoption and ratification of a new Treaty on Stability, Coordination and Governance (known as the 'fiscal compact'), the delegation of new supervision powers to the EU Commission for fiscal and macroeconomic surveillance including quasi-automatic sanctions and, more recently, new mechanisms for more centralised oversight of European banks. While no major federal leap was proclaimed by the Heads of States and Governments, the reforms have undisputedly brought the EU further along the path towards an ever closer Union.

Against this backdrop, the purpose of this article is not to assess whether the recent reforms of EMU have made the EU more federal. Rather, we want to tackle the following puzzle: How have EU leaders legitimised the deepening of not only economic, but also political integration in a context where support for federal integration is at its lowest? In other words, if the German Chancellor and the French Presidents are 'accidental federalists', as Kamkhaji and Radaelli (2014) recently put it, how have they managed to further federalise the EU without speaking the 'F-word'? We have good reasons to believe that understanding the discursive legitimisation of decisions is at least as important in today's EU as the empirical assessment of reforms against any definition of federalism. The EU's logic of integration in the post-Maastricht era has been described as post-functional as the awareness has grown among the wider public that – in the socioeconomic realm – the process of integration is not necessarily a zero-sum game, but implies winners and losers, and such discontent has been successfully exploited by nationalist and populist parties (Hooghe & Marks 2009). Recent research has shown that, in many federations, tensions over financial solidarity and budgetary policy have resulted from the economic and financial crisis (Braun & Trein 2014). This implies that it is crucial for national leaders in government to 'sell' every new transfer of competences to the EU institutions to their constituencies. As Crespy and Schmidt (2014) have argued, the logic of EU politics has shifted from a 'two-level game' determined by strategic win-sets to a 'simultaneous double game' driven by communication and discursive interactions involving not only decision makers, but also public opinion. These constraints are especially acute for French and German leaders as they brokered the grand bargains that have punctuated the history of European integration. Since they represent larger groups of countries with diverging preferences, agreements between France and Germany normally ensure that compromises are acceptable for all Member States (Krotz & Schild 2013). At the same time, they are bound to be held responsible by their own citizens for the shape of integration and its possible negative consequences.

This article will elucidate how the German Chancellor, Angela Merkel, and the two successive French Presidents, Nicolas Sarkozy and François Hollande, have legitimised the decisions made in response to the crisis in the eurozone. The distinction between the functional and the constitutional conception of federalism, which we draw from the literature on European federalism (Burgess 1986, 2000), will serve as a framework for the analysis. The demonstration rests on a computer-based content analysis of about 50 speeches given by the Chancellor and the Presidents, previous to, or after European summits from early 2010 until the spring of 2013. The findings indicate that federalism is both taboo and pervasive in French and German leaders' discourse: on the one hand, constitutional federalism is eluded but at the same time also depicted as an ineluctable – yet out of reach – end, thus resembling something like a mirage; on the other hand, functional federalism and the need for fixing the economy is an ubiquitous imperative that justifies further integration.

The article is structured as follows. It begins by presenting the theoretical and methodological framework for the study before moving on to looking at how constitutional federalism is discursively eluded. It then conducts a more in-depth analysis of how functional federalism drives even the political dimension of integration and concludes with a discussion of the conclusions reached.

## **Theoretical framework and methods**

### *Two visions of European federalism*

An extensive review of the relevant federalism theories that may shed light on the European integration process is far beyond the scope of this article. In brief, the literature on European federalism has established that the EU should be seen as a polity that is already federal but undergoing a continuous and incremental process of federalisation (Burgess 1986; Pinder 1986) that is decoupled from the formation of a central state (Elazar 1987) as it has rather contributed to strengthen national states after the Second World War (Burgess 2000). Comparative analyses show that the functioning of the EU can be best understood as a form of cooperative (as opposed to dual) federalism in the sense that decision making is mostly joint and most legislative and executive competencies are shared between the Member States and EU institutions (Börzel & Hosli 2003). Even though the EU's competences remain weaker with regard to the core tasks usually performed by federal states (such as military power, fiscal policy or public administration), it is developing as a *de facto* federal system of governance where the competences of the federal level are steadily being strengthened (Kelemen 2003; Genschel & Jachtenfuchs 2014). While the nature of such cooperative federalism nevertheless remains hard to grasp, the responses to the recent crisis have served to re-order European federalism through new hierarchies. We seem to witness the emergence of a European form of *coercive* federalism – a term that has been forged by Kincaid (1990, 2008) to study American federalism – relying on a specific mix of financial, fiscal, legal and regulatory instruments. For indebted countries, the financial rescue has been accompanied by strict conditionality and far-reaching intrusion of the EU and international institutions into domestic reform. For all EU Member States, the new

framework for macroeconomic governance – the ‘European Semester’ – now enforces tight surveillance of not only economic performance, but also social policy expenses through the close monitoring of national budgets and fiscal policies.

Beyond the discussion about appropriate scholarly definitions, our endeavour in this article is to understand how the federalisation of Europe has been justified politically and legitimised discursively. In this regard, two main visions have shaped political discourses – functionalism and constitutionalism – which have found incarnation in the figures of Jean Monnet and Altiero Spinelli, respectively (Pinder 1996; De Bruyn 2009). On the one hand, Jean Monnet embodies the project of functional integration as he fostered sectorial integration and cooperation among political elites through the community method whereby supranational institutions mediate between Member States’ preferences. Functional integration has been widely used by scholars to make sense of European federalism’s empirical nature. It describes a process where competences are progressively and continuously transferred towards supranational institutions in policy areas where interdependence or spill-over prompts closer coordination (Bulmer 1996). Functional federalism has therefore often been associated with the idea that integration occurs on a sectorial basis and hence displays differentiated scopes and scales (Jachtenfuchs 1997). Thus, functional federalism generates complex patterns of decision making involving bargaining among the various levels of government, which are allocated different functions and resources.

Functional federalism has been challenged consistently by a more normative vision of integration rooted in constitutionalism. The post-national conception of European federalism, underpinned by a European constitution, finds its intellectual roots in the *Ventotene* manifesto, in which Ernesto Rossi and Altiero Spinelli outlined their vision of European integration as a liberal (if not libertarian) emancipatory project (Radaelli & Dossi 2011). Spinelli consistently argued in favour of a European constitution based on the emergence of a European *demos*, and political momentum was achieved in 1984 when his Draft Treaty establishing a European Union was adopted by a majority of the recently elected European assembly. The treaty was to transform the then Economic Community into a genuine federal and parliamentary state. While Spinelli’s proposal was ignored by the Heads of States and Governments at the time, constitutional federalism later re-emerged as a response to the perceived democratic deficit of the EU. The continuous strengthening of the European Parliament’s powers throughout successive treaty reforms is the greatest illustration of this.

From the 1990s onwards, functional federalism has been increasingly seen by citizens and by peripheral political movements as ‘integration by stealth’ that both overrides and undermines national democracy without providing any satisfactory compensation at the EU level. In the face of growing resentment against such incremental federalisation, a movement in favour of a European Constitution gained momentum and resulted in the setting up of a European Convention entitled to draft a Constitution for Europe, thus operating a ‘shift from functionalism to constitutionalism’ (Burgess 1996: 3). While the EU was to retain its hybrid nature as a ‘federation of nation-states’,<sup>3</sup> constitutionalism has also been seen as a means to open a third way and foster a ‘demosi-cracy’, which would democratically integrate, but not merge, the peoples of Europe (Nicolaidis 2004).

However, the constitutional adventure ended in a fiasco that thwarted the hopes of the advocates of constitutional federalism. The rejection of the European Constitutional Treaty

by a majority of Dutch and French voters in 2005 triggered a political earthquake that gave substance to fears that the introduction of constitutionalism would weaken fragile functional policy arrangements (Weiler 2001). As so often in the EU, the result was highly ambiguous. The ratification of the Lisbon Treaty seemed to mean the burial of the constitutional idea and a return of functionalism. At the same time, most provisions that made the failed treaty more 'constitutional' have been safeguarded in the Lisbon Treaty. And more recently, although the crisis politics has been of a highly intergovernmental nature, it has resulted in a historical strengthening of the supranational institutions (mainly the ECB and the Commission) with probably as yet unperceived long-term effects. Europe therefore seems to be stuck in a '*Sonderweg*' [special path] (Weiler 2001) comprising both constitutional and functional federalism.

### *Operationalisation through discourse analysis*

As briefly outlined in the introduction, our study is anchored in a conception of European politics that places public discourse at its centre. While part of leader's discourse is inherited from history and national political cultures, thus entailing a path dependent logic, discourse is also strategically used by political actors in order to reconfigure their interests and can thus explain institutional and policy change (Schmidt & Radaelli 2004; Schmidt 2008). Discourse analysis can be rooted in different methodological and epistemological approaches, ranging from positivist quantitative content analysis to post-positivist critical discourse analysis (for an overview, see Crespy, forthcoming).

The methodology used here is based on lexicographic analysis assisted by the software Iramuteq. Our corpus consists of 45 speeches given by Angela Merkel, Nicolas Sarkozy and François Hollande during the press conferences held after European Council meetings between 2010 and 2013. Lexicographic discourse analysis originally developed notably at the French *Saint-Cloud* laboratory at the end of the 1960s with the purpose of investigating how the public use of language contributes to symbolic power struggles. Lexicographic analysis relies, to a large extent, on the comparison of the relative salience of different textual forms (i.e., words) and provides various tools – such as frequencies, co-occurrences, classification into lexical clusters, graphs, and so on – allowing the systematic exploration of large corpuses. Nevertheless, this article goes beyond the mere count of textual forms in order to investigate meaning, more in-depth. This is done by systematically considering the language in use through the lexical environment of key terms. This is an essential step of lexicographic analysis since 'the use of a term does not work in isolation, but inside a vocabulary, inside a universe of relations to other uses and other terms' (Bonnafous & Tournier 1995: 69).

The way we conducted the lexicographic analysis is located halfway between induction and deduction and proceeds in two steps. First, the list of all word frequencies, generated by Iramuteq is used through the word clouds (Figures 1 to 3).<sup>4</sup> At the same time, a selection of terms is operated (see Table 1), guided by the notions of functional and constitutional federalism. This double-faceted methodology enables us to generate a consistent interpretation while ensuring that no significant lexical form or dimension of discourse has been overlooked. Thus, we can assess to what extent and how German and French leaders, respectively, articulate federalism.





Table 1. Frequencies of key terms in Merkel's, Sarkozy's and Hollande's speeches

		Constitutional federalism (threshold: 23)*			
		Sarkozy		Hollande	
Merkel		Confederal Federalism	Confédéral Fédéralisme	Federal Confederation	Fédéral Confédération
<i>Federalism</i>					
<i>Integration</i>					
Country	Land/Länder	197	147	Country	281
Member states	Mitgliedstaaten	114	113	Europe	181
Europe	Europa	75	52	Union	127
Union	Union	67	23	State	100
Nation	Nation	43	23	Nation	38
			11	Member	26
			11	Integration	19
			10	Sovereign	12
				Community	11
<i>Institutions, law, democracy</i>					
Treaty	Vertrag	118	90	Treaty	46
Law	Recht	77	25	Legislative	19
Institution	Institution	30	23	Vote	18
			14	Majority	16
			12	Law	15
			11	Institution	14
				Unanimity	14
				Democracy	8

Table 1. Continued

Functional federalism (threshold: 45)*					
	Euro	Euro Zone	Euro Zone	Euro Zone	Euro Zone
<i>Economy</i>	238	231	231	173	173
Euro	137	131	131	133	133
Economy	101	91	91	184	184
Competitiveness	99	90	90	170	170
Finance	92	86	86	100	100
Stability	87	55	55	90	90
Debt	87	41	41	89	89
Currency	81	40	40	67	67
Eurozone	79	30	30	41	41
Market	78	28	28	40	40
Crisis	65	20	20	37	37
EFSF	54	19	19	27	27
Budget				22	22
<i>Actors and processes</i>					
Commission	161	203	203	209	209
Greece	130	119	119	176	176
Germany	110	118	118	110	110
ECB	100	111	111	107	107
Council	106	95	95	92	92
Pact	116	86	86	82	82
Discussion	81	58	58	79	79
Bank	81	55	55	76	76
France	77	47	47	70	70
Billions	76	41	41	65	65
Step	76	40	40	64	64
Mechanism	61	39	39	59	59
IMF	57	38	38	58	58
Finance Minister	56	37	37	58	58
Funds	54	37	37	51	51
Measure	52	26	26	49	49
Parliament	49	23	23	46	46
Conclusions	46	20	20	41	41
Instrument	45				

Notes: \* The thresholds correspond to one occurrence per speech in average in every national corpus for constitutional federalism and two occurrences for functional federalism (German corpus = 22 speeches, French corpus = 23 speeches). For comparative purposes, frequencies in Sarkozy's and Hollande's speeches have been added in order to determine whether a particular term achieved the threshold in the French corpus in general.

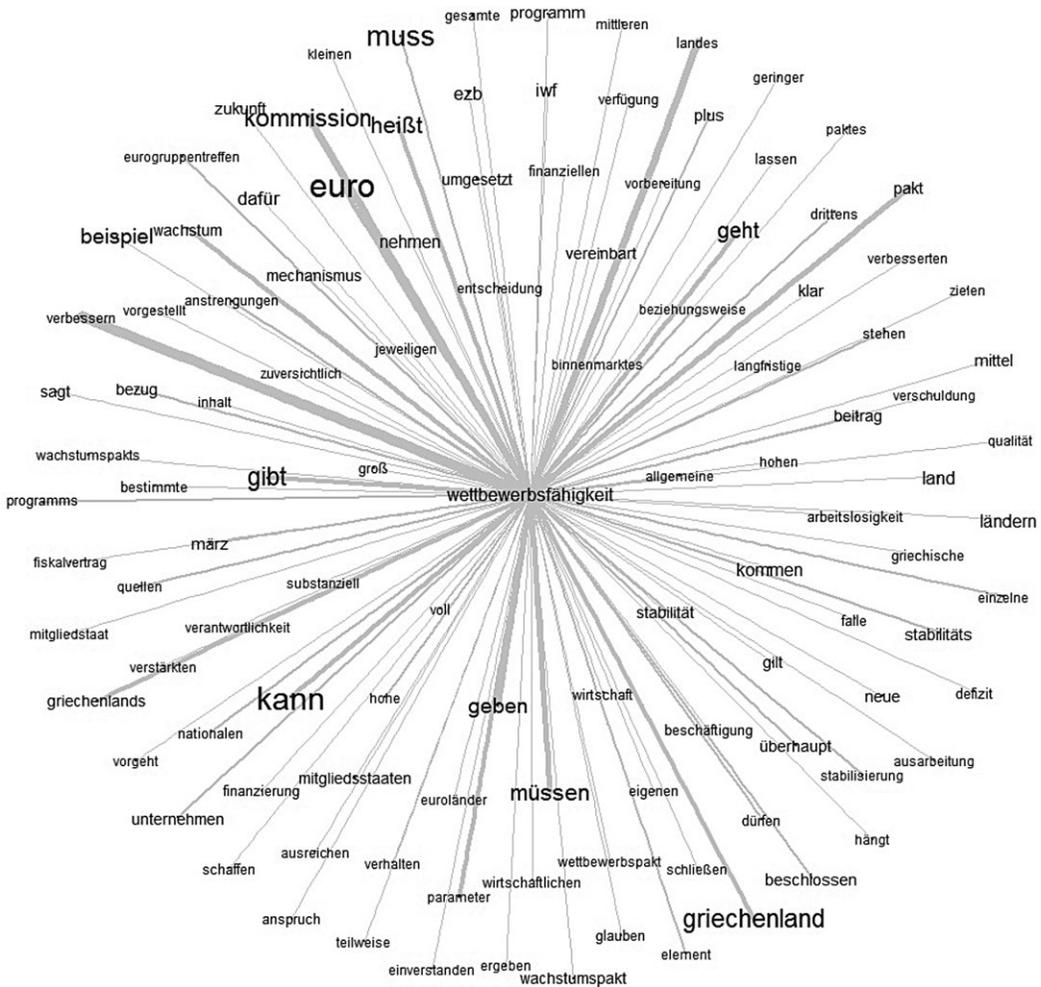


Figure 4. Lexical environment of competitiveness (Merkel).

Note: For clarity purposes, this graph features terms that occur at least 25 times – that is, at least once in every speech, on average.

the comparative dimension of the study (with two countries and two French Presidents from opposed political camps) shows that discourses, generated in the context of the recent financial and debt crisis, articulate functional federalism as the dominant vision beyond national and party boundaries.

## Constitutional federalism: The European mirage

### *Let's not speak the 'F-word'*

A first general overview of the speeches given by the two French Presidents and the German Chancellor in the period under study shows that explicit references to federalism





*Nicolas Sarkozy:* No, there will be some more steps to take, but these won't be inevitably institutional steps. These will be steps grounded in fiscal convergence, economic competitiveness convergence; it's not all about institutions, most of it regards policy content. (27 October 2011)

*Journalist:* How will you explain this new federal 'leap' to the French people?

*François Hollande:* Regarding the federal 'leap', we are not at that point, yet. We have to implement what already exists and, when I see the reluctance of other countries to go further, I think to myself that France is often ahead. We have to make budgetary choices, those that France decides with its sovereignty. If we want to reduce our deficits, it doesn't mean that we want to submit ourselves to Europe – this gives a very negative and depressing vision of Europe. (29 June 2012)

German journalists did not address any explicit questions to Chancellor Merkel concerning a 'federal leap'. This may suggest that the salience of the federal theme is even weaker in the German public sphere, contrary to what conventional wisdom may hold. In order to control for possible bias of our corpus towards short-term measures, we also looked at speeches given by the three leaders in the European Parliament (EP).<sup>8</sup> Whereas European Council press conferences may be geared towards crisis management, speeches pronounced in front of the European assembly, only once during the legislature period, are by nature more programmatic and focused on long-term institutional issues. These speeches, nevertheless, confirm our argument since they contain no reference to federalism.

### *Constitutional federalism as a long-term objective*

As the French Presidents and the German Chancellor clearly avoid explicit references to federalism, it can be hypothesised that they may still speak of constitutional federalism in a more allusive way. However, Table 1 shows that the discourse connected to the political dimension of integration is strikingly thin and mainly focused on the legal aspects, while democracy clearly remains in the background. This is confirmed when looking at the way in which key terms such as 'Europe', 'integration' and 'union' are used.

*Germany.* In Merkel's speeches, Europe is mentioned far less than the eurozone and is mostly referred to as an area without any specific institutional form, whose components are most often described as 'countries' rather than 'members'. In the following excerpt, Europe without contours is markedly opposed to references to Germany as 'our country':

Everybody in Europe has to face challenges. . . . What we do in these times for Europe and the euro, we will get it back four times. These are investments for the good of our country and for the good of the people in our country in the first place. (Angela Merkel, 21 July 2011)

The term 'union' relates mainly to foreign policy issues and, when it is mentioned in relationship with internal European matters, it is described by Merkel as the 'monetary union' or a 'banking union' which tends to downplay the broader, political dimension of

integration. Her speech in March 2012, after the so-called 'fiscal compact' was agreed, is a notable exception as she spoke – with obvious rhetorical caution – about 'crucial steps towards . . . elements of a political Union' (Angela Merkel, 2 March 2012).

A further reference was made to a political Union in December the same year, when a journalist asked the Chancellor whether the step-by-step strategy pursued (as opposed to a federal 'leap') was not in contradiction to the necessary, more integrated (read 'federal'), institutional design she had claimed in the EP a few weeks before. Here, Merkel made a clear distinction between the short and long run, and clearly located the federal vision in the latter:

I think I made two things clear in the European Parliament: I talked about the next steps, and then I was asked what my vision of a fully-fledged European Union was. I answered that my idea of the final destination, so to speak, is that we should transfer competences from the Member States, that the Commission would increasingly develop as a government in the framework of these competences, that the European Parliament is brought in and that the Council should be something like a second chamber. This is not threatened by what we have done now. (Angela Merkel, 14 December 2012)

'Integration' is only mentioned six times in all of Merkel's speeches. In all six excerpts, the Chancellor refers to the deepening, and the continuation, of integration located in the future. On two occasions, however, she refers to it in a negative manner saying that stronger integration does not enjoy the support of a majority of Germans at the moment (17 December 2010) and that every step towards a deeper integration must be agreed by the national parliaments (14 December 2012).

*France.* Although the terms 'Europe' and 'Community' are more often used by the French Presidents, they are presented in a similar way – that is, as abstract entities sometimes personified and associated with attitudes and feelings, such as pragmatism and solidarity. The salience of 'Europe' is also greatly outreached by that of 'states', 'nations', the idea of sovereignty and intergovernmentalism. While Hollande refers a lot more often to the 'Union' than does Sarkozy, the EU is mainly presented as an actor dealing with foreign policy or it is reduced to the economic and monetary union, as in the German discourse. For Sarkozy, the continuous enlargement of the EU feeds into an argument about 'two Europe(s)': whereas the eurozone is at the core of a more integrated Europe, relations among the 28 members of the EU should reflect a confederal logic, as he explicitly claimed:

What we see is that, as we go forward, the European Union will keep on enlarging and thus will become more confederal, and thus it is the eurozone which will have to aim for economic and monetary convergence. (Nicolas Sarkozy, 2 March 2012)

From the point of view of constitutional federalism, Sarkozy's discourse is therefore ambivalent: the federal perspective is accepted as a long-term objective, but it cannot apply to the EU as a whole. As far as François Hollande is concerned, the political union is

referred to only once, and is also depicted as a long-term objective. Furthermore, he understates the institutional importance of this further step which, according to him, only aims at more efficient and faster decision making in the eurozone.

What is sure is that we won't change the treaties in the forthcoming year. . . . What can this political union be? It depends on what we will be able to do in terms of banking union, social union; it's about the content. . . . Concerning the organisation of institutions, as I said, the most important thing is that we can decide faster. That's why the eurozone is so important to me. (Nicolas Sarkozy, 19 October 2012)

'Integration' is rarely mentioned by the French Presidents. Once again, any further step toward integration is presented as a long-term goal by Hollande, while Sarkozy does nothing more than to evoke integration in the realm of economic policy.

To sum up, the institutional form of the EU and the political dimension of integration are mostly mentioned in passing by German and French leaders, and described as a vision in the long run. Constitutional federalism therefore seems to be taboo, and when it does come up in discourse it is depicted as a long-term perspective that cannot (should not?) be achieved in the near future. In contrast, leaders are more confident when evoking the moves towards more integration as a pragmatic and functional response to the crisis.

### **Functional federalism: The European imperative**

While constitutional federalism is almost completely absent from the discourse of French and German political leaders, the debt crisis in the eurozone strongly drives federalism. Because it is the only way out of the crisis, further steps towards more economic and institutional integration are presented as a functional imperative.

#### *Competitiveness and growth as drivers of integration*

*Germany.* Competitiveness (*Wettbewerbfähigkeit*) is undeniably the central idea in Merkel's discourse. Table 1 shows that, surprisingly, competitiveness enjoys a greater salience than the traditional theme of stability. In the same vein, although fiscal austerity has been the main theme in the public debate, 'competitiveness' clearly dominates the German economic discourse and outnumbers references to 'debt', 'deficits', 'currency' and 'the market'. In the problem-solving perspective that characterises her discourse, all measures taken in response to the debt crisis are justified by the urgent need to enhance the global competitiveness of the EU.

Figure 4 shows that competitiveness is most closely associated with the terms 'economy' (*Wirtschaft*), 'stability' (*Stabilität*), 'internal market' (*Binnenmarkt*), 'employment' (*Beschäftigung*), 'unemployment' (*Arbeitslosigkeit*), 'decision' (*Entscheidung*) and adjectives such as 'big' (*gross*), 'substantial' (*substanziell*) and 'full' (*voll*). The action verbs mentioned above such as 'can' (*kann*), 'must' (*muss*) and 'give' (*gibt*) are less directly related to competitiveness, but more salient. Finally, 'euro' (*euro*) and 'Greece' (*Griechenland*) are also very salient, but discursively more remote.<sup>9</sup> This suggests that

competitiveness is at the centre of the EU's economic programme and that enhanced competitiveness is the response to the problems triggered by the Greek situation, which also affects the common currency. A closer look at the outer circles of the graph shows that competitiveness is also closely associated with the more political dimension of the crisis – that is, with terms such as 'believe' (*glauben*), 'decide' (*entscheiden*), 'agree' (*vereinbart*), 'pact' (*Pakt*), 'meetings of the Eurogroup' (*Eurogruppentreffen*), 'future' (*Zukunft*), 'programme' (*Programm*), 'quality' (*Qualität*) and 'challenge' (*Herausforderung*). Competitiveness is therefore the end that justifies more federal means, and is at the core of contentious political discussions in the EU:

In our pact for competitiveness, we have already agreed that there is a willingness to work together in the coordination of fiscal policy. . . . It is not easy to agree politically on a few parameters that indicate the degree of competitiveness of a given country. Insofar we will keep on working with ambition. (Angela Merkel, 14 December 2012)

Whereas political considerations prevailed when the monetary union was initiated with the Treaty of Maastricht, Merkel makes competitiveness – and not the political enterprise behind the euro – the main objective.

*France.* The competitiveness theme plays a less significant role in the economic discourse of the French Presidents. In Sarkozy's speeches, 'competitiveness' (*compétitivité*) (30 occurrences) is one objective next to 'growth' (28 occurrences). However, a deeper examination of the competitiveness theme's lexical environment (Figure 5) shows that it performs the same role as in Merkel's discourses in the way in which it relates to the other main economic themes. It is also, as in the German case, related to the political dimension of crisis management since it is associated to the ideas of 'convergence' (*convergence*), 'work' (*travail*), 'harmonisation' (*harmonisation*), 'reinforce' (*renforcer*), 'improvement' (*amélioration*) and 'pact' (*pacte*). As in Merkel's speeches, competitiveness is the main objective that justifies all the economic and institutional innovations as a response to the crisis in the eurozone, especially the theme of 'economic government' strongly promoted by Sarkozy:

I put this idea of economic government at the centre of the French policy at the European level, but economic government is not a goal in itself, it is a means for the definition of a convergent economic policy; and a convergent economic policy is not a goal in itself, it is a means for reducing the competitiveness gaps. (Nicolas Sarkozy, 16 December 2010)

However, it is not Greece, but France which is associated with this theme. In contrast to the German discourse, competitiveness is also seen by the French President as a domestic issue as, in this respect, France needs to 'catch up' with Germany.

The functional equivalent of 'competitiveness' (40 occurrences) in Hollande's discourse is the term 'growth', which is by far the most salient economic idea (170 occurrences). Its lexical environment (Figure 6) shows that it is at the centre of the European economic programme: 'eurozone' (*zone euro*), 'budgetary' (*budgétaire*), 'economic' (*économique*),

‘competitiveness’ (*compétitivité*), ‘productivity’ (*productivité*), ‘employment’ (*emploi*), ‘market’ (*marché*), ‘stability’ (*stabilité*). Similarly, it appears as the main driver of further integration because it is connected with ‘integration’ (*intégration*), ‘reinforce’ (*renforcer*), ‘coordination’ (*coordination*), ‘Eurobonds’ (*Eurobonds*), ‘objective’ (*objectif*), ‘contract’ (*contrat*) and ‘pact’ (*pacte*). The salience of growth is not very surprising as it was a major theme of Hollande’s presidential campaign, during which he had claimed that he would oppose a new EU treaty solely focused on budgetary discipline. Thus, his discourse attempts to reconcile the main themes of his campaign with his role in EU decision making.

### *Actors, institutions and political processes*

As well as the economy, it is also crucial to look at how actors, institutions and political processes are discursively constructed in order to better understand the institutional vision underpinning functional federalism.

*Germany.* In the German press conferences, Greece and, more surprisingly, the European Commission are the most salient actors (see Table 1). Both are closely related with competitiveness (see Figure 4). Not only in the ECB and the Council, but also in the International Monetary Fund, finance ministers and banks are clearly dominating the scene. Although the EU Commission is a central actor, this does not mean that the German Chancellor conveys a strongly supranational vision of European federalism. On the contrary, on several occasions she seeks to downplay the fact that competences will have to be delegated to ‘Brussels’, especially in connection with the French theme of ‘economic government’:

There is here in Brussels a whole discussion about whether the Commission is the economic government. In this respect, I say to the Commission and the Parliament: the competences of the Community must of course be exercised by the Commission. There is the Community method that involves the Commission, the Parliament and the Council. But there is also a whole range of factors that belong to the national states’ area of responsibility. (Angela Merkel, 17 June 2010)

Thus, the main objective of the negotiations is discursively constructed as one that involves both the European Commission and the Member States for the definition of specific parameters of competitiveness in all European countries (e.g., Angela Merkel, 14 December 2012). In her speeches, the German Chancellor describes crisis politics as technical responses rather than as political decisions designed to bring about deeper integration. In tune with the scant references to a genuinely political process, decision making is described mostly in general (‘measure’, ‘step’, ‘discussion’) or technical (‘mechanisms’, ‘instruments’) terms.

In brief, Merkel’s discursive construction of the euro crisis reflects a functional conception of federalism: the stress is clearly put on problem solving and pragmatic responses, while the political dimension of the decisions made remains virtually invisible. Competitiveness is at the centre of her discourse as policy and institutional innovations are only necessary insofar as they can enhance competitiveness, not only in the indebted countries

but in the EU as a whole. Whereas German discourses are often seen as federalist, this must be put into perspective in the Merkel era: while the Commission and the ECB are important actors for her, it is the Member States who are at the centre of decision making as far as new issues involved with competitiveness are concerned.

*France.* In contrast with the German discourse, the EU Commission is far from being the most cited actor by the French Presidents (see Table 1). Rather, it is the Council, together with individual countries, which dominate. The economic and financial actors, mainly the banks and the ECB, complete the picture. As in the German case, however, political processes and decisions are expressed through technical, rather than political, terms. The notion of 'pact' mainly relates to the new treaty aimed at tackling high levels of debt and deficits. Once again, the terms used to describe political action ('agreement', 'decision', 'response', 'discussion') do not refer explicitly to institutional procedures and the emphasis is put on the technical and utilitarian aspects ('supervision', 'mechanism', 'interest').

These observations confirm that, in the context of the euro crisis, the moves towards further integration are expressed through the rhetoric of functional federalism as political innovations are presented as pragmatic, technical and necessary responses limited to the eurozone. Budgetary consolidation, mechanisms of stability/solidarity, the economic government of the eurozone, and the convergence of fiscal and economic policies are depicted as technical tools in pursuit of the central goal, whether it is competitiveness or growth. While Sarkozy expressed a vision that was closer to that of the German Chancellor, Hollande refers more to the various measures as steps on the longer road towards political integration. His call for creating Eurobonds is a good example of his willingness to engage with treaty change and deepening of the political union. This, nevertheless, is only an occasional extension of his discourse, which remains as strongly embedded in the functional logic as Merkel's and Sarkozy's discourse.

### **Conclusion and discussion: Towards post-democratic executive federalism**

While responses to the debt crisis in the eurozone have brought the EU a step closer to a federal polity, French and German leaders alike have clearly avoided speaking the 'F-word' out loud. The in-depth analysis of the German Chancellor's and the two French Presidents' speeches during the euro crisis discloses a striking contradiction: a political federal union is pictured as a distant mirage that disappears as every summit (and every crisis) brings the Europeans closer to federalism. At the same time, the functional imperative is constantly invoked to legitimise arrangements that are sometimes more constraining than those existing in other federal polities – for instance, the United States (Fabriani 2013). This contradiction is rooted in a gap between a constitutional and a functional vision of federalism. When occasionally brought up in the discussion, constitutional federalism is depicted as a necessary and ineluctable end, yet systematically postponed and located in the long run, out of reach of today's decision makers. In this regard, there is no significant difference between the German and the French discourses. Rather than austerity, it is the urgent need to enhance the EU's competitiveness that is the central

driving force behind the deepening of integration. From an institutional point of view, the times when Germany promoting supranational federalism was opposing France focused on sovereignty are over: positions have become more subtle and, one could say, closer. In the Merkel era, Germany seems to have converged towards a more intergovernmental vision of the EU with national states as the main actors that should drive the integration of macroeconomic and fiscal policy.

While the EU keeps on moving ahead on the ‘federal continuum’, the discursive hiatus between constitutional and functional federalism has important implications. The pursuit of integration by stealth exacerbates the gap between the ‘world of public opinion’ and the world of ‘problem solving’, or between government practice and symbolic politics (Leca, cited in Papadopoulos & Magnette 2010: 711). This can only feed contestation against what is perceived by many as the constitutionalisation of austerity. The risk is high that as they prove unable to agree on the policy and institutional form of the European polity, French and German political leaders will end up failing to efficiently [speak] to the markets and to people’ (Schmidt 2013), thus failing to legitimise both functional and constitutional federalism. We can suspect that European political leaders are aware that further functional integration necessarily brings about increased political interdependence of a constitutional nature – the debt brake enshrined in national constitutional law being a paramount illustration of this. We can also suspect that the reason why they do not wish to articulate constitutional federalism discursively is due partly to a lack of long-term vision and partly to short-term electoral interests. Hence, we may qualify the crisis as a moment of ‘accidental’ or unintended federalism in the sense that the decision to go forward on the federal path was essentially the result of constraining pressures coming from the financial markets – as well as by international institutions and partners such as the United States – to backbone the political foundations of the euro.

These developments have arguably opened a new era for federalism in the EU. So far, the ideational distinction between constitutionalism and functionalism has referred to visions that are different but not necessarily mutually exclusive. On the contrary, the history of EU integration and, for instance, the continuous strengthening of the EP show that both have consistently gone hand in hand. Today, the fairly stark decoupling between functionalism and constitutionalism unveils new emerging hierarchies within the EU federal polity. EU federalism become more coercive with tighter socioeconomic governance and hardship imposed upon indebted countries. Our analysis supports the claims made by others that the responses to the crisis have brought the EU towards an executive, post-democratic form of federalism (Habermas 2011; Crum 2013). Dominant discourses in the crisis have shaped a model of integration where the competences transferred to the EU level, in the name of the functional imperative, remain under the tight control of national governments while the role of EU institutions is limited to one of technocratic watch dog of common discipline. This model implies the abandonment of the ideal of ‘transnational democracy’ (Habermas) or ‘democratic federalism’ (Crum) whereby democratic procedures and practices largely shift towards EU institutions. Whether executive federalism can crystallise as a viable model for EU integration remains an open question. The poor outcomes of the euro crisis both in terms of policy output and political legitimacy nevertheless raise serious doubts.

## Acknowledgements

We would like to warmly thank Michele Chang, Daniel Kelemen and three anonymous reviewers for their very helpful comments on previous drafts of this article.

## Appendix. Corpus of speeches by Angela Merkel, Nicolas Sarkozy and François Hollande

### *Angela Merkel*

Source: Website of the German Chancellery ([www.bundesregierung.de](http://www.bundesregierung.de))

Press conference at the European Council, Brussels, 26 March 2010

Press conference at the European Council, Brussels, 17 June 2010

Press conference at the European Council, Brussels, 16 September 2010

Press conference at the European Council, Brussels, 16 December 2010

Press conference at the European Council, Brussels, 4 February 2011

Press conference at the European Council, Brussels, 12 March 2011

Press conference at the European Council, Brussels, 25 March 2011

Press conference at the European Council, Brussels, 24 June 2011

Press conference at the special session of the Heads of State and Government of the countries of the eurozone, Brussels, 21 July 2011

Press conference at the European Council, Brussels, 27 October 2011

Press conference at the European Council, Brussels, 9 December 2011

Press conference after the informal meeting of the European Council, Brussels, 30 January 2012

Press conference at the European Council, Brussels, 2 March 2012

Press conference at the European Council, Brussels, 24 May 2012

Press conference at the European Council, Brussels, 29 June 2012

Press conference at the European Council, Brussels, 19 October 2012

Speech at the European Parliament, Brussels, 7 November 2012

Press conference at the European Council, Brussels, 23 November 2012

Press conference at the European Council, Brussels, 14 December 2012

Press conference at the European Council, Brussels, 7 February 2013

Press conference at the European Council, Brussels, 15 March 2013

Press conference at the European Council, Brussels, 23 May 2013

### *Nicolas Sarkozy*

Source: [www.vie-publique.fr/](http://www.vie-publique.fr/)

Press conference at the European Council, Brussels, 25 March 2010

Press conference at the Meeting of Heads of State or Government of the countries of the eurozone, Brussels, 8 May 2010

Press conference at the European Council, Brussels, 29 October 2010

Press conference at the European Council, Brussels, 17 December 2010  
 Press conference at the European Council, Brussels, 4 February 2011  
 Statement at the European Council, Brussels, 4 February 2011  
 Press conference at the European Council, Brussels, 11 March 2011  
 Press conference at European Council, Brussels, 25 March 2011  
 Press conference at the European Council, Brussels, 24 June 2011  
 Press conference at the European Council and meeting of Heads of State or Government  
 of the eurozone, Brussels, 27 October 2011  
 Press conference at the European Council, Brussels, 9 December 2011  
 Press conference at the European Council, Brussels, 30 January 2012  
 Press conference at the European Council, Brussels, 2 March 2012

### *François Hollande*

Source: [www.vie-publique.fr/](http://www.vie-publique.fr/)

Press conference at the European Council, Brussels, 25 May 2012  
 Press conference at the European Council, Brussels, 29 June 2012  
 Press conference at the European Council, Brussels, 18 October 2012  
 Press conference at the European Council, Brussels, 19 October 2012  
 Press conference at the European Council, Brussels, 23 November 2012  
 Press conference at the European Council, Brussels, 14 December 2012  
 Press conference at the European Council, Brussels, 9 February 2013  
 Press conference at the European Council, Brussels, 15 March 2013  
 Press conference at the European Council, Brussels, 22 May 2013

## Notes

1. 'Barroso calls for an EU federation', *Financial Times*, 12 September 2012.
2. 'Germany and Europe: A very federal formula', *Financial Times*, 9 February 2012.
3. The concept was coined by Jacques Delors in the 1980s and endorsed by Joschka Fischer in his famous speech on the finality of the EU at Humboldt University in 2000, as well as by Lionel Jospin, the then French Prime Minister, in 2001.
4. A 'word cloud' is a graphical representation of the most regular terms, displayed according to their frequencies. It enables an easy grasp of the most important lexical forms and their relative importance in the general economy of discourse.
5. Due to the density of the discourse articulating functional federalism, we introduced a threshold of 35 occurrences for the selection of key terms appearing in the table. This was not necessary for constitutional federalism.
6. The form of Table 1 inevitably results from a number of interpretive choices. For example, the various EU institutions (Council, ECB, Parliament) could, *in abstracto*, belong both to the constitutional or functional dimension of integration. In our corpus, however, they were only referred to insofar as they appeared as relevant actors in the crisis – that is, because of their function in the processes at stake (hence the high salience of the ECB compared to that of the European Parliament).
7. All quotes in French have been translated by the authors.
8. Nicolas Sarkozy gave one speech in the EP prior to the crisis in July 2008 in which he focused on the French Presidency of the EU. Angela Merkel and François Hollande each gave a speech at the EP, respectively, in November 2012 and in January 2013. While the negotiations of the EU multi-annual

financial framework were at the centre of the agenda at that moment, both leaders dealt with their vision for the future of Europe.

9. The links between the words represent the frequency of co-occurrence of two terms. The size of words shows how salient they are in the corpus in general. The distance between competitiveness and other words stands for the relative distance in the excerpts in which they co-occur.

## References

- Bonnafous, S. & Tournier, M. (1995). Analyse du discours, lexicométrie, communication et politique. *Langages* 29(117): 67–81.
- Börzel, T.A. & Hosli, M.O. (2003). Brussels between Bern and Berlin: Comparative federalism meets the European Union. *Governance* 16(2): 179–202.
- Braun, D. & Trein, P. (2014). Federal dynamics in times of economic and financial crisis. *European Journal of Political Research* 53(4): 803–821.
- Bulmer, S. (1996). The European Council and the Council of the European Union: Shapers of a European confederation. *Publius* 26(4): 17–42.
- Burgess, M. (ed.) (1986). *Federalism and federation in Western Europe*. London: Routledge.
- Burgess, M. (1996). Federalism and the European Union. *Publius* 26(4): 1–15.
- Burgess, M. (2000). *Federalism and European Union: The building of Europe, 1950–2000*. London: Routledge.
- Chang, M. (2006). Reforming the Stability and Growth Pact: Size and influence in EMU policymaking. *Journal of European Integration* 28(1): 107–120.
- Crespy, A. (forthcoming). Analysing European discourses. In K. Lynggaard, I. Manners & K. Kröfgen (eds), *Research methods in European Union studies*. Basingstoke: Palgrave Macmillan.
- Crespy, A. & Schmidt, V.A. (2014). The clash of titans: France, Germany and the double game of EMU reform. *Journal of European Public Policy* 28(1): 1085–1101.
- Crum, B. (2013). Saving the euro at the cost of democracy? *Journal of Common Market Studies* 52(4): 614–630.
- De Bruyn, M. (2009). From Laeken to Lisbon: Europe's experiment with constitutional federalism. In A. Ward & L. Ward (eds), *The Ashgate research companion to federalism*. Aldershot: Ashgate.
- Dyson, K. & Featherstone, K. (1999). *The road to Maastricht: Negotiating economic and monetary union*. Oxford: Oxford University Press.
- Edelman, M. (1964). *The symbolic uses of politics*. Urbana, IL: University of Illinois Press.
- Elazar, D.J. (1987). *Exploring federalism*. Tuscaloosa, AL: University of Alabama Press.
- Fabrini, F. (2013). The fiscal compact, the 'golden rule' and the paradox of European federalism. *Boston College International and Comparative Law Review* 36: 1–38.
- Genschel, P. & Jachtenfuchs, M. (eds) (2014). *Beyond the regulatory polity? The European integration of core state powers*. Oxford: Oxford University Press.
- Habermas, J. (2011). Europe's post-democratic era. *The Guardian*, 11 November.
- Hooghe, L. & Marks, G. (2009). A postfunctionalist theory of European integration: From permissive consensus to constraining dissensus. *British Journal of Political Science* 39(1): 1–24.
- Howarth, D. (2007). Making and breaking the rules: French policy on EU 'Gouvernement Économique'. *Journal of European Public Policy* 14(7): 1061–1078.
- Jachtenfuchs, M. (1997). Democracy and governance in the European Union. *European Integration Online Papers* 1.
- Kamkhaji, J. & Radaelli, C. (2014). Can Accidental Federalism Do It? Paper presented at the Biannual Conference of the Council for European Studies, Washington, DC.
- Kelemen, D.R. (2003). The structure and dynamics of EU federalism. *Comparative Political Studies* 36(1): 184–208.
- Kincaid, J. (1990). From cooperative to coercive federalism. *Annals of the American Academy of Political and Social Science* 509(1): 139–152.

- Kincaid, J. (2008). Contemporary US federalism: Coercive change with cooperative continuity. *Revista d'Estudios Autnomicos i Federals* 6: 10–36.
- Krotz, U. & Schild, J. (2013). *Shaping Europe: France, Germany and embedded bilateralism from the Elysée Treaty to twenty-first century politics*. Oxford: Oxford University Press.
- Nicolaïdis, K. (2004). The new constitution as European ‘demoi-cracy’? *Critical Review of International Social and Political Philosophy* 7(1): 73–93.
- Papadopoulos Y. & Magnette, P. (2010). On the politicisation of the European Union: Lessons from consociational national polities. *West European Politics* 33(4): 711–729.
- Pinder, J. (1986). European community and nation-state: A case for a neo-federalism? *International Affairs* 62(1): 41–54.
- Pinder, J. (1996). Economic and monetary union: Pillar of a federal polity. *Publius* 26(4): 123–140.
- Radaelli, C. & Dossi, S. (2011). Four Funerals and a Party? The Political Repertoire of the Italian Radicals. EUI Working Paper 57. Florence: European University Institute.
- Schmidt, V.A. (2008). Discursive institutionalism: The explanatory power of ideas and discourse. *Annual Review of Political Science* 11: 303–326.
- Schmidt, V.A. (2013). Speaking to the markets or to the people? A discursive institutionalist analysis of the EU’s sovereign debt crisis. *British Journal of Politics and International Relations* 16(1): 188–209.
- Schmidt, V.A. & Radaelli, C. (2004). Policy change and discourse in Europe: Conceptual and methodological issues. *West European Politics* 27(2): 183–210.
- Weiler, J. (2001). Federalism without constitutionalism. In K. Nicolaïdis & R. Howse (eds), *The federal vision: Legitimacy and levels of governance in the United States and the European Union*. Oxford: Oxford University Press.

*Address for correspondence:* Arthur Borriello, CEVIPOL, Université libre de Bruxelles, 44 Jeanne Avenue, B-1050 Brussels, Belgium. E-mail: aborriel@ulb.ac.be