

¿Hacia una nueva gobernanza económica de la Unión Europea? – Towards a new government of the economy in the European Union? – Para um novo governo da economia na União Europeia?. By Francisco Jesús Carrera Hernández (dir.) (Thomson Reuters/Aranzadi, Cizur Menor, 2018) 315 pp. (includes e-book) [ISBN: 978-84-9177-284-2]

The global financial and economic crisis initiated in 2008 and the subsequent sovereign debt crisis suffered by several countries in the Eurozone (particularly, between 2010-2013) showed serious shortcomings in the initial design of the Economic and Monetary Union and required the adoption of new instruments, with diverse nature, to govern the economy of the European Union, trying to overcome the crisis and promoting a smart, sustainable and inclusive growth.

This collective book analyses, from an essentially institutional perspective, the recent developments in the economic governance of the European Union and delves into its future prospects. The origin of this book is a research project funded by the Ministry of Economy and Competitiveness of Spain (DER2015-63927-P), entitled “The reinforcement of the legitimacy of the economic policy of the European Union after the crisis: Proposals for a new economic governance of the European Union”.

The main researcher of this project and director of this collective book is Francisco Jesús Carrera Hernández, Professor of Public International Law at the University of La Rioja (Spain) and author of other relevant publications on the architecture of the economic governance of the European Union. The book has authors from different countries and specialties, which allow a multidisciplinary approach to the subject. The transnational character of the book is evidenced, for example, in the use of different languages (Spanish, English and Portuguese) in the title and its nine chapters.

The book includes a prologue by Professor Rui Manuel Gens de Moura Ramos, who has been, among other prominent positions, Vice-President (2003-2007) and President (2007-2012) of the Constitutional Court of Portugal, which has developed a very relevant jurisprudence when, during the Portuguese debt crisis, had to decide on the constitutionality of certain public spending cuts. The prologue highlights the imperfections of the Economic and Monetary Union designed in the Maastricht Treaty and the multifaceted nature of the successive instruments adopted, with a certain improvisation, to deal with the financial and economic crisis in the European Union.

Chapter I (Francisco Jesús Carrera Hernández) notes that intergovernmental dynamics prevail in the economic arm of the Economic and Monetary Union, highlighting, in particular, the role of the Eurogroup and the Euro Summit and the operation of the European Stability Mechanism (ESM), created through an international agreement. The author analyses, especially, the functioning of the so-called European Semester, as a mechanism for the coordination and supervision of the national economic policies, and its incidence in the approval of the national budgets by each Member State. The author acknowledges that the role of the European Parliament and national parliaments within the framework of the European Semester is small. The author refers to proposals for increasing the participation of such parliamentary institutions, but he underlines that the increase of democratic legitimacy must be designed with prudence. The author emphasizes that not only the European

Parliament and national parliaments have democratic legitimacy, but also intergovernmental bodies have an “indirect” democratic legitimacy (p. 53). Beyond possible short-term reforms, the author emphasizes that the strengthening of the legitimacy of the economic policy of the European Union must be placed within the framework, wider and ambitious, of a future redesign and deepening of all the European integration process.

Chapter II (Nicolas De Sadeleer, Jean Monnet Chair and Professor at Saint-Louis University) offers an illustrative analysis of the European Union fiscal and economic governance. The author emphasizes that the financial and economic crisis evidenced that the original design of the Economic and Monetary Union was deficient, since there was a great asymmetry between a strong monetary arm (“with a single currency falling under an exclusive competence with its own independent central bank”) and a weak economic arm (“where national economic policies are not integrated but only set within limits”) (p. 64). The author specifies the various initiatives and instruments that have been adopted in recent years to strengthen this economic arm, distinguishing three major approaches: establishing mechanisms for crisis management (such as the European Stability Mechanism Treaty); improving the coordination of economic and employment policies (such as the Europe 2020 Strategy); and reinforcing the preventive and corrective dimensions of the Stability and Growth Pact (SGP). This chapter is mainly focused on macro-economic and fiscal control measures and highlights the strengthening of the SGP by the Fiscal Compact. According to the author, the “new powers conferred to the Commission and the Council are likely to give real teeth to economic governance” in the European Union (p. 106). The author assumes that these new mechanisms are complex and imperfect, but he concludes that, globally, they have been remarkably effective, considering that the “monetary federation” has now been complemented, with the new budgetary surveillance, “by a budgetary federation” (pp. 108-109).

The following three chapters address the role of different institutions in the economic governance of the European Union, examining successively the role of institutions endowed with executive, parliamentary and judicial powers.

Chapter III (José María Porras Ramírez, Professor of Constitutional Law at the University of Granada) questions the dominant role of institutions endowed with executive powers in the economic and budgetary supervision of the Member States, reinforced for the states of the Eurozone and considered “intrusive” for the states of the Eurozone subjected to economic adjustment programs (p. 132). The author criticizes the intergovernmentalism and the technocracy that preside such supervisions and formulates reform proposals for a greater democratization, through a profound reform of the founding treaties of the European Union, including all the mechanisms of the economic union within the primary law.

Chapter IV (Ariadna Salazar Quiñonez, Researcher Professor at the National Institute of Criminal Sciences of Mexico) focuses on the mechanism of budgetary surveillance implemented through the indicated European Semester, and the role that national parliaments of the Member States can play in it. The author also refers, in particular, to the Inter-Parliamentary Conference on Stability, Economic Coordination and Governance in the European Union, which is a forum for debate and exchange of information and best practices, aimed at strengthening the cooperation among national parliaments and

the European Parliament. The author defends a greater parliamentary participation in the monitoring and control of the national budgets, which are currently exercised mainly by the Commission and the Eurogroup.

Chapter V (Tamara Čapeta, Professor of European Public Law at the University of Zagreb) studies the role of courts in economic governance in the European Union. The author identifies measures adopted during the crisis that have been examined by different courts (such as austerity measures that could be incompatible with fundamental social or labour rights) and defends that the “judicialization of economic governance” should be considered as “an ordinary feature of economic governance in Europe” (p. 189).

The remaining four chapters deal mostly with some European Union policies that, as the book's director stresses, go beyond the Economic and Monetary Union, but they have undoubted relevance in the economic governance of the European Union.

Chapter VI (Luis Pedro Cunha, Professor at the University of Coimbra) refers to the governance of foreign trade and, after making a theoretical framework of the various types of regional economic agreements, reviews the main trade agreements that the European Union has concluded or is currently negotiating with third countries, some as controversial as the Comprehensive Economic and Trade Agreement (CETA) with Canada, underlining that part of its provisions are applied provisionally from September 2017, but that it can only come into full force after its ratification by all the Member States of the European Union.

Chapter VII (Peter Van Elsuwege, Professor of European Union Law at the Ghent European Law Institute – GELI, and Jolien Timmermans, Academic Assistant at the GELI) examines the issue of the external representation of the euro area in the International Monetary Fund (IMF). The authors note the current fragmented European Union representation in the IMF and analyse the obstacles on the road towards a unified external representation of the euro area in the IMF, proposing, for example, the creation of a European Minister of Economy and Finance, taking into account the experience of the “double-hatted” function of the High Representative for Foreign Affairs and Security Policy (p. 242).

Chapter VIII (Isabel Cabrita, Professor at ISCSP-ULisboa) examines the European Union international investment policy. Since the entry into force of the Treaty of Lisbon, the Treaty on the Functioning of the European Union (TFEU) includes, within the Common Commercial Policy, the regulation of foreign direct investment (FDI), which enables the European Union to adopt autonomous regulations and to conclude international investment agreements (IIAs) with third countries. The author evaluates the European Union international investment policy approach in the complex framework of the current global investment policy environment, considering, particularly, the criticisms and reform proposals of the traditional investor-State dispute settlement (ISDS) systems and the new Investment Court System (ICS) promoted by the European Union.

Finally, Chapter IX (Ángel Sánchez Hernández, Professor of Civil Law at the University of La Rioja) analyses the rural development in the European Union regulations. After a diagnosis of the main problems in the rural world, the author studies Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European

Agricultural Fund for Rural Development (EAFRD), which shall contribute to the Europe 2020 Strategy by promoting sustainable rural development throughout the European Union and complementing the other instruments of the Common Agricultural Policy (CAP), the cohesion policy and the common fisheries policy. The EAFRD shall contribute to the development of an agricultural sector more territorially and environmentally balanced. The author refers, particularly, to the strategic initiative LEADER (according to its initials in French: *Liaison entre activités de développement de l'économie rurale*), established in Articles 42-44 of the quoted Regulation to support rural development projects launched at a local level.

Taken together, this book offers valuable contributions on the complex economic governance of the European Union and its current challenges. The authors agree that the financial and economic crisis showed the need to strengthen the economic arm of the Economic and Monetary Union, which has materialized, among other measures, in new mechanisms of macro-economic and budgetary control. Various contributions observe that in these new mechanisms there is a primacy of intergovernmentalism and technocracy, raising the debate on their degree of democratic legitimacy. The authors tend to share a Europeanist vision and make thoughtful and constructive criticisms on the recent developments in the economic governance of the European Union. Some authors show the need to proceed with calm and prudence to profound reforms of the founding treaties, which could rationalize the complex architecture of the current European Union, linking the improvements in the economic governance to decisive advances in the political union.

Certainly, the current global context (with the unresolved Brexit, tensions and trade wars between great powers, the rise of populisms and exclusionary nationalisms or the fear of new economic crises) generates a lot of uncertainty about the future of the European Union, but it is precisely in turbulent times when holistic and rigorous studies, like this book, are most needed.

Xavier FERNÁNDEZ PONS
University of Barcelona