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A Euro Area Finance Ministry – Recipe for Improved Governance?

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INTRODUCING A EUROPEAN FINANCE MINISTER – THE DEBATE (RE) GAINS MOMENTUM

After the momentous political decisions on saving the euro area taken between 2010 and 2012, the debate on further reforms was confined to EU bodies and academic circles. It was not until 2017 that the inauguration of a pronouncedly pro-European leadership in France provided the political momentum to reform. Now the debate is focused on reforming euro area fiscal policy to make it more coherent, better synchronised with monetary and banking policies and better legitimized. This debate centres on calls to create a finance ministry for the euro area (Guttenberg and Hemker 2018; Bénassy-Quéré *et al.* 2018). Despite its political reservations against pooling financial resources, even the German government seems on board for some institutional overhaul of the euro area, aimed at strengthening rule-based fiscal coordination – or a 'finance ministry light'.

Rule-based oversight of national fiscal policies *vs*. pooling financial resources run by a genuine European fiscal capacity can be seen either as alternatives, or as two consecutive stages on the path towards a fully-fledged federal structure. According to the first alternative, which we will call functionalist, a euro area finance ministry's objective would be to help align national fiscal policies, thus enhancing sustainability/reducing the vulnerability of the euro area. According to the second version – that we refer to as federalist – a euro area finance ministry should be one layer within a multi-layered system of fiscal authorities – European, national, local – instead of primarily supervising national budgets (Hinarejos 2014).

One key challenge in establishing a euro area finance ministry will be to address questions of governance such as securing its legitimacy and acceptance between national governments and populations. In an open and democratic society governance can be regarded as pivotal in making any institutions effective, as only rules that are accepted are likely to be complied with and acted upon. This fact has also been acknowledged by political leaders like French president Macron, who has mobilised popular awareness and support for a comprehensive reform of the euro area, including a common finance ministry (Macron 2017).

The following article aims to examine how the challenge of legitimacy for a euro area finance ministry can be met for the two versions as such; and for a potential transition from the functionalist version to the federalist one. To this end, the article refers to the key principles of governance, namely rule of law and the prevalence of free markets (Juncker 2017). In other words, it explores the extent to which the current proposals for introducing and operating a finance ministry comply with these two principles, which can be regarded as pivotal for democracies and economic efficiency.

FEDERALIST OR FUNCTIONALIST: OPTIONS TO POSITION A FINANCE MINISTRY FOR THE EURO AREA

In most EU countries finance ministers have become the most prominent figures on the political stage next to government heads. This relates to their role in channelling public funds to reflect the political priorities of their respective governments with respect to the distribution of public goods and economic management (Zimmermann and Henke 1999). Generally fiscal policy is regarded as a domain of national policy, a setting that had been explicitly confirmed in the treaties of Maastricht and Lisbon (TEU, Art. 125). At the European level, involvement in fiscal policy had been confined to loose coordination of national fiscal policies and a small central budget. The bodies in charge, the euro group chair and the ECFIN commissioner, pursue their European roles as a second occupation next to their main responsibility for national policy or EU economics (Wolff 2017).

During the second crisis that centred on Greece in 2015, leaders of the EU institutions initiated an elementary overhaul of this arrangement (Juncker *et al.* 2015). Pivotal to their recommendations was the suggestion to create an institution charged with fiscal coordination, a euro area finance ministry. Further debate centres on two alternatives ways of defining this position, which we refer to functionalist and federalist.

A Functionally-Defined Finance Ministry to Attune Fiscal Policy Coordination to the Needs of EMU

The rationale for a euro area finance ministry in a functionalist version ('finance ministry light') would be to make the euro area more sustainable or less prone to future crises. It would follow the tradition of political efforts to strengthen coherence and political management of fiscal policy in the euro area, which started with the EFSF in 2010 and continued with the fiscal compact, effective since 2013. In an evolutionary approach a euro area finance ministry would assume the role of the euro group chair (Bénassy-Quéré *et al.* 2018), as well as that of vice president of the EU commission – in some resemblance of the high representative of foreign and security policy (Wolff 2017).

A euro area finance ministry would remain distinct from the EU budget commissioner, from the commissioner of financial affairs (charged with surveillance of national budgets) and from the management of the ESM. Essentially such a European fiscal authority would pass judgement on national fiscal policies' compliance with fiscal rules of the euro area. By itself, it seems only an upgrade of the chair of the euro group to a full-time position. However, even such a modest institutional change is likely to have far-reaching consequences by changing the logic of cooperation between national and European fiscal bodies towards more EU involvement and hierarchical decision making (Bénassy-Quéré *et al.* 2018). The current practice of cooperation might change in five ways:

1. In taking decisions on national budgets' compliance with euro area rules 'the euro area finance minister light' will rely on the 'commissioner of economic and financial affairs', who is charged with budget surveillance (Bénassy-Quéré *et al.* 2018).
2. The new practice relies on simplified fiscal rules with as little discretion as possible. This, in turn, is supposed to enhance transparency and protect the fiscal authority from arm twisting on the part of national governments. One option brought forward is to relate fiscal compliance to spending, rather than deficits. According to this proposal put forward in the economists' paper, nominal spending should not grow faster than GDP, until the debt reference level stated in the TFEU (60 percent of GDP) is achieved. High visibility of spending growth will make it a hard constraint, incentivising national treasuries to side with the EU fiscal authority (Bénassy-Quéré *et al.* 2018), thus warding off demands from national spending ministries.
3. The third task relates to the public goods character of money, implying a natural link between the banking system and the public sector. In Europe this is reflected by interdependence between fiscal policy and banking, with government assets accounting for a large share of banks' asset side, linking national fiscal policy decisions *via* their impact on bond prices to banks' balance sheets, hence their lending capacity (ECB 2017). This link is dubbed bank sovereign nexus. The inconsistency between national fiscal policy and area-wide monetary policy could be ironed out by inducing banks to diversify their debt holdings through the so-called ESBies (euro area safe assets) which are derivatives backed by a basket of national government bonds of all the euro area nations (Brunnermeier *et al.* 2011). A euro area fiscal authority could assume the tasks performed by a debt issuing agency, either as arranger or as regulator and surveillance authority. According to the first option it would help create these instruments with reference to underlying government debt and organise interest payments to investors. In this function it would be assisted by legal and financial expert companies. In its alternative role it may be charged with regulating and surveying arranging companies (ESRB 2018). This could be a natural part of its surveillance function (Brunnermeier *et al.* 2011; Bénassy-Quéré *et al.* 2018).
4. The 'finance ministry light' would be compelled to cooperate with the ESM, since its decisions on national budgets will also have an impact on access to ESM funding. Conversely, the ESM assessment of national solvency, which has direct consequences for the governments concerned such as imposing adjustment programmes or debt restructuring, will also impact the finance ministry's judgement in terms of fiscal compliance (Wolff 2017).
5. There might be a link between the 'finance minister light' and the budget commissioner, relating to a newly-created stabilisation fund. This fund, meant to weather asymmetric economic shocks to individual countries, can be released to the countries concerned following the judgement on their abidance by fiscal rules (Juncker *et al.* 2015; Matthes *et al.* 2016).

In essence a euro area 'finance ministry light' means an upgrade of existing control and adjustment mechanisms to national fiscal policies, impersonated by the chair of the euro group. In this capacity it would become the anchor of EU involvement in fiscal policy in general.

A Finance Ministry in a Regime of Fiscal Federalism: A Single Fiscal Policy with National Competition

A European fiscal authority (finance minister) defined in its wide role would correspond to the concept of fiscal federalism. Although key proponents of this version agree that such a role needs to be implemented in various stages, ultimately such a European fiscal authority would be assigned responsibility of running the euro area fiscal policy in its own right along national fiscal policy lines. Insofar that both camps, functionalists and federalists, reach a consensus, this version of a finance minister would imply a quantum leap compared to the current regime of managing fiscal policy (Priewe 2017; Matthes *et al.* 2016).

In practical terms a fiscal authority defined in this way would function similarly to the treasuries of 'conventional' nation states – providing public goods based on a budget funded by revenues decided at the euro area level (Guttenberg and Hemker 2018; Hinarejos 2014). Relative to the *status quo* and to the functionalist version, a fiscal authority defined in the federalist version would imply enhancement in three directions:

- Managing a genuine euro area/EU budget instead of separate funds ultimately funded by national resources
- Vertical division of competences between the EU and national governments, based on subsidiarity, to be defined in more detail below. Current EU competences regarding the single market should be extended to include defence, development aid, asylum policy, corporate taxation and unemployment insurance, but re-allocated to the national level in agriculture (De Vries and Hoffmann 2016)
- Drawing on alternative funding sources including debt and taxing powers instead of the current system of reserves and national transfers. Candidates for European revenue sources would be proceeds from Emission Certificates, taxes on plastic wrapping, financial transactions or a share in corporate income (Guttenberg and Hemker 2018).

In essence, the European fiscal authority would turn into a political position managing the provision of public goods based on the above mentioned principles of economic and political efficiency. This would make the EU/ euro area a fully-fledged layer in a system of European federal governance (Hinarejos 2014).

THE ISSUE OF GOVERNANCE IN THE CONTEXT OF A EURO AREA FINANCE MINISTRY

Governance from a Static and Dynamic Perspective

It is agreed between legal and economic experts that introducing a euro area fiscal authority would demand profound constitutional adjustments legitimated by various national bodies, or even national referendums. At the same time, various past episodes imply that the chances of winning a national referendum with European scope

Table 1

Proposals of Euro Area Finance Ministry

	Functionalist version	Federalist version
Supervision	Supervising national budgets as core responsibility	Supervisory aspect of secondary significance
Institutional setting	Part of a network of fiscal policy coordination and adjustment: links to • national fiscal authorities on debt strategy and instruments; • ESM on funding debt restructuring, liquidity provision; and • SSM on bank-sovereign-nexus	Independent body within EU commission, superordinate authority to ESM/EMF re-stabilisation capacity
Monetary policy	Helping to break the bank-sovereign-nexus	Separation from monetary policy, superseding monetary policy in economic stabilisation
Fiscal policy	Coordinating national fiscal policies	Running EU fiscal policy
EU finances	No link to EU finance, national governments determine EU budget size; EU parliament and commission decide on its composition	Running EU budget according to EU (commission) policy decisions
Taxing powers	No taxing powers: taxing power rests exclusively with nation states	Taxing powers included (ultimate version)
Economic stabilisation	Limited fiscal capacity (< 1% GDP)	Significant fiscal capacity (> 1% GDP)
Link to stabilisation funds	Alternative options: separate from finance ministry (EMF) *vs.* run by finance ministry	Running fiscal capacity as (one) core responsibility of finance ministry
Funding sources (stabilisation)	Funded by reserves	Alternative funding sources
Funding sources (general)	Cross-national-transfers	EU taxes; debt; cross-national-transfers
Rationale for EU expenditure	Funding pooled government duties of nation states	Providing genuine public goods (where EU has economies of scale)
Legitimacy	Primarily by national governments; secondary: EU parliament, national parliaments	By EU parliament

Sources: Bénassy-Quéré *et al.* (2018); Guttenberg and Hemker (2018); Enderlein and Haas (2015); Macron (2017).

decline with the intensity of the changes.[1] Even acknowledging the significance of interfering in national issues like unemployment trends or the general popularity of the respective national government, winning popular endorsement for a 'big leap' finance ministry would appear a high risk option, even under favourable political conditions.

Hence even supporters of a federalist version of a finance ministry acknowledge that this version may only be an ultimate objective (Guttenberg and Hemker 2018). Accounting for this, the following article applies a two-staged approach: its initial focus will be on aspects of governance related to the functionalist version, in a second stage it aims to set (general) requirements for the transition to a federalist version.

Key challenges from a governance point of view are legitimising a euro area finance minister in order to make it work. Only accepted rules will be followed, and hence effective. Further to the introductory remarks, the following analysis of governance will be based on the rule of law and market dominance as guiding principles of open and democratic societies.[2] These principles will be explored in greater detail in the following paragraphs before being applied to the issue of a finance ministry.

Economic and Legal Dimension of Governance Interacting in Three Layers

According to the European Commission, the finance minister aims to pursue the general interest of the euro area economy, also in relation to other economies. In economic terms, the finance minister in the euro area should be endowed with fiscal instruments to propel structural reforms and crisis management (Juncker 2017). Enabling a finance ministry to fulfil its primary assignment of rule-based policy coordination would require certain institutional conditions to be met regarding its design, its powers and its operation. This has even more general consequences for the legal system such as the delineation of public and private spheres in the economy.

The rule of law implies that the legal system – constitution, civil law, public law – governs economic and social behaviour in a consistent manner. This is done by setting boundaries for individuals, in business and in private, within which they are allowed to pursue their objectives and interact to their mutual benefit. These boundaries must be general in nature, i.e. not pre-set or unduly benefit specific behaviour. Instead, they are meant to secure a sheltered area for individuals, protecting them against intrusion either from other private entities or from the government (Die Denker 2005).

The alternative would be hands-on government planning and intervention determining economic behaviour of individuals and companies as known – in its pure version – by regimes of central planning. But there are many forms of more subtle government intervention regulating certain forms of consumption and production, including setting price ceilings and price floors. Such regulations can be explicit based on legal acts, or implicit, emanating from business cultures, conventions and traditions. Examples of the latter are as diverse as minimum wages, corporate governance, environmental regulations, profit accounting, health and safety rules, building standards and rules governing property uses (Acemoglu and Robinson 2012).

Related to individual freedom and free markets is the aspect of competition, which can be regarded as the prerequisite for the existence of free markets, as well as its outcome. This regards prevalence of market prices in allocating resources and private property, contractual freedom and accountability governing economic behaviour. These principles have been applied in the single market, at least in theory.

Rule of Law and Pooling Sovereignty in Europe

Applying the rule of law to a trans-national context might be less trivial than it would be within national boundaries where there is a reliance on legal traditions and accepted habits, as the latter have evolved in certain national contexts. In the realm of a European fiscal authority – even with respect to a functional definition – legal differences would have a direct bearing on economics as seen in tax collection and the ensuing tax paying morale of different national populations. Other such issues include the different legal positions of recipients of income transfers. It is also worth mentioning the efficiency gaps between states in the provision of public goods such as infrastructures (Matthes *et al.* 2016).

Compared to these issues, the direct economic impact of fiscal integration seems rather manageable. Here the debate relates to the fact that income levels between populations differ significantly, hence funds transferred from richer nations to poorer ones would not be allocated according to the preferences of the providing populations (Läufer and Wambach 2015). This issue may, to some extent, be mitigated in a system of fiscal federalism. At face value the economic line of argument has to be put into the context of income differences within national jurisdictions, e.g. in Germany between east and west, which might exceed

[1] Examples are the initial rejection of the Maastricht treaty in Denmark and the narrow margin of success in France in 1992 and the rejection of the EU constitution in France and in the Netherlands in 2005.

[2] In theory, there might be convergence between systems of more government discretion and systems of strict respect of rule of law. But this would assume that populations are as willing to accept restrictions on their existing liberties as they are willing to accept enhancement of their liberties, which is difficult to reconcile with comparative findings on the working of institutions (Acemoglu and Robinson 2012).

income differences between different national averages.

GOVERNANCE REQUIREMENTS FOR A EURO AREA FINANCE MINISTRY

Status Quo: National Sovereignty with Traits of Debt Mutualisation

Initially EMU governance had been based on three principles (1) a clear separation between a single monetary policy and national fiscal policies with (2) rule based coordination and (3) exclusion of debt mutualisation. The latter principle was violated by the EFSF arrangement in 2010, reinforced by the enhancements of the ESM in 2012.

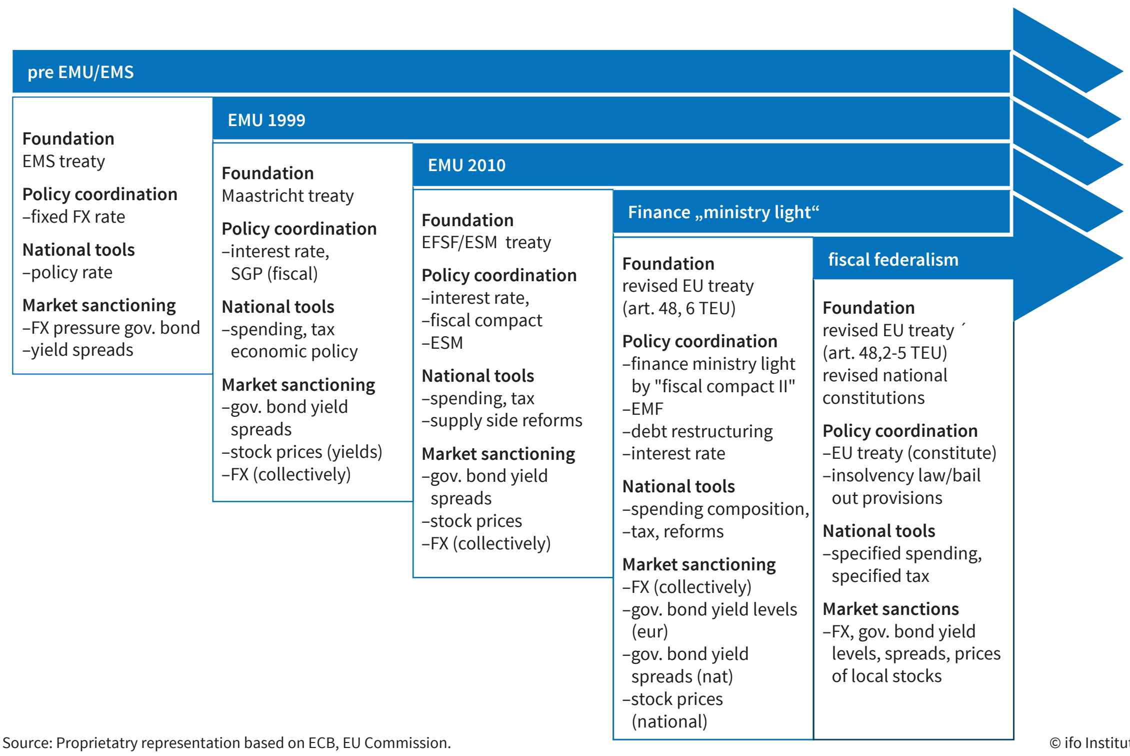
The system of rule-based governance was partially salvaged by two provisions for ESM activity: (1) the requirement of mutual agreement for the majority of ESM decisions; and (2) the strengthening of fiscal rules, its latest outcome being the fiscal compact. Whereas these provisions have successfully confined the debt mutualisation feared by net contributors, experience with various euro area members cast doubt on their impact on fiscal discipline. An obvious example was Spain, where the structural deficit has widened since 2014 in the midst of the economic recovery, but trends in deficits in France and debt in Italy are also disconcerting. By failing to impose financial sanctions, as provided in the SGP and in the fiscal compact, the EU commission set a precedent, boding ill for the future efficacity of rules (cf. France).

A Functionally Defined Finance Ministry and Governance: Balancing Risk Sharing and Market Discipline

Recent research on governance in fiscal policy focuses on striking a balance between rules to warrant discipline and discretion to allow flexibility, helping reconcile the interests of creditor countries and of debtor countries (Clauss and Remhof 2016). To this effect transnational research advocates bolstering the current regime of fiscal coordination in two ways: (1) instead of the current euro group setting, where coordination occurs in a consensual way, a euro area finance ministry, chairing the euro group would strengthen the hierarchical element of coordination; and (2) by combining this position with affiliation to the EU commission it would upgrade the EU commissions' role towards national governments.

These two features of governance, hierarchical organisation and EU involvement, are to be accompanied by further institutional and procedural changes: (1) an upgraded ESM with enhanced autonomy on providing temporary liquidity and funding economic reforms with respect to regaining solvency; and (2) accepting of market forces by governments of debtor countries in imposing bail in clauses (CAC) on private investors (Matthes 2017; Bénassy-Quéré *et al.* 2018; Läufer and Wambach 2015). A more far-reaching demand on debt restructuring in the event of government insolvency failed to gain the support of the necessary majority, as did the

Figure 1
Stages of European Monetary and Fiscal Integration



Source: Proprietatry representation based on ECB, EU Commission.

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demand of an exit clause for trespassers (Matthes 2017).

These arrangements can be assessed by their compliance with key principles of governance:

- Enhancing national *fiscal transparency and credibility*: simplifying fiscal rules as demanded in the economists' paper would help reduce a euro area finance ministry's political discretion. In this context the shift from a deficit rule to a rule for spending growth (less than long run nominal GDP growth) might be seen as a quantum leap towards transparency. The credibility of this rule could be amplified by shifting any sanctioning to the markets: excess spending would have to be funded by junior bonds rather than directly by public money from the ESM/EMF (Bénassy-Quéré *et al.* 2018). In this context the finance ministry's verdict would have direct implications for market pricing.
- *Institutional consistency at the euro area level*, disentangling overlapping responsibilities: allocating the functions of budget surveillance and of rule enforcement (currently held by the chair of the euro group) to separate bodies. The euro area finance ministry would decide on the application of fiscal rules, assisted by a plea of the commissioner of economic and financial affairs. This would make the excessive budget procedure more transparent, and hence more credible to investors and potential trespassers. It would in particular make the (remaining) political content of a finance ministry more visible, and hence increase pressure on the ministry to justify its decisions.
- Securing *consistency between fiscal policy, monetary policy and banking*. It is not the bank-sovereign-nexus as such, depicted in the second section, but the fact that the banking sector is torn by its roles of (national) fiscal agent and in (European) monetary policy transmission. This systemic inconsistency was brought to light with the inception of a single supervisory mechanism (SSM). The 'cleaning up' of banks' balance sheets would be necessary, but not sufficient to make them more resilient to national fiscal shocks (ECB 2017). In this context, a finance ministry, by helping banks to diversify their bond holdings through ESBies at various stages of the issuance process, would also help to reconcile the different prerogatives of fiscal and monetary policy.

Fiscal Federalism in Europe – A Silver Bullet in Terms of Governance?

From a governance viewpoint, a European finance ministry in a regime of fiscal federalism seems preferable to the two options mentioned above, as it would comply with the key principle of governance, aligning accountability and responsibility in a transparent, credible and consistent way.

Although from an economic point of view such a regime-shift would have clear merits including economies of scale and enhanced internal and external political clout, it would require consensus on a vertical division of power. Currently such a consensus seems remote, as the public debate on sharing political powers is at best at a nascent stage, as is the public's perception of EU citizenship (Guttenberg and Hemker 2018).

Communicating the potential benefits of fiscal federalism would demand a three-pronged approach:

1. Using the powers of a functionally defined finance ministry to streamline national fiscal policies and to enhance the visibility and acceptance of these efforts; but other than depicted above the functionally-defined finance ministry will serve as a springboard to fiscal federalism
2. Defining the ultimate scope of fiscal federalism in a European context
3. Forging consensus between decision makers and populations of the member states concerned (Priewe 2017; Guttenberg and Hemker 2018; Enderlein and Haas 2015).

(a) Making the European Signature Visible in Fiscal Policy

Whereas fiscal policy to date has been pursued as a national affair, rather than a matter of common European interest; this may change in a functionally defined finance ministry as defined in the previous chapter. It will be the principles of exclusivity, accountability and hierarchical cooperation that will vastly increase the visibility of fiscal policy at the euro area level (Guttenberg and Hemker 2018):

- Exclusivity in pursuing the role of euro group chair means that the incumbent will be perceived in his or her European role of budget surveillance, rather than in a national role.
- Accountability means that defending their decisions to European and national legislators, they have a chance to represent European principles of fiscal policy in public.
- Hierarchical setting strengthens their authority as perceived in a general public.

Any fiscal stabilisation instruments, whether managed by a finance ministry or alternative bodies like the ESM, will add to the visibility of European fiscal policy.

Finally the proponents of this setting emphasise the potential of this role of further enhancement in the context of fiscal federalism. While acknowledging the confinement of this role to 'macroeconomic, financial and fiscal stability' they state the potential for enhancement. "A proper budget could only grow out of political decisions to finance defined common public goods" (Bénassy-Quéré *et al.* 2018, 2).

(b) Defining the Scope for European Fiscal Federalism

Making the European dimension visible to a general public would be a first step towards European fiscal federalism. The next step would be to decide on the substance of this regime, its guiding principles and in the implications of allocating government functions between various levels, i.e. the European, national and local levels (Erlei *et al.* 2008). General functions of fiscal policy can be classified into allocation (i.e. providing public goods), stabilisation (i.e. countering major economic shocks), and distribution (i.e. containing income disparities) – see Zimmermann and Henke (2009).

Fiscal federalism can be defined by the principle of subsidiarity giving priority to lower levels of government, i.e. local and national levels, whereas only those functions will be fulfilled that offer euro area specific efficiency gains at the higher (European) level. In economic terms, efficiency would be defined and measured by the following criteria: spill-over effects, economies of scale, preference heterogeneity, internal market consistency and competition (Berger *et al.* 2017). In political terms the criterion 'political clout' might be added (Guttenberg and Hemker 2018).

Key candidates for areas to fall under European competence would be defence, asylum and refugee policy, competition and corporate taxation, unemployment insurance and development aid. Another function often quoted would be environmental protection. Candidates for areas to fall under national competence would be agricultural policy, secondary and tertiary education. Against these findings the current policy setting only seems right in education, whereas a swap in national and European competences would be implied in defence, corporate taxation and agriculture. There may also be policies of shared competences like infrastructure and transport (Berger *et al.* 2017).

An equally pressing concern for a single fiscal policy will be to what extent competition between national governments, as well as between companies, will be accepted or even welcome. Candidates are Swiss-style competitive federalism or German-style cooperative federalism. In terms of private competition, a key focus of fiscal policy is state aid, in particular for the finance sector in the context of bailing out or bailing in. The current debate on enforcing the principle of bailing in reflects also a clash of political cultures with respect to the primacy of markets.

(c) Governance under Fiscal Federalism: Stimulating Transnational Political Debate

Both introducing fiscal federalism and running such a regime in the euro area (or the EU) requires a shift of focus in the public debate from mere national considerations to a combined national-euro-area-wide focus (Macron 2017). In practical terms this concerns fiscal policy, i.e. the level and composition of revenue and expenditure, as well as the frequency of adjustments (Priewe 2017).

Such a shift in focus is hindered by the language barrier both between the consumers and the providers of political information within Europe. Genuinely European media – whether print, broadcast or electronic – are scarce and a transnational media landscape is virtually non-existent.[3] Although this will be a formidable obstacle in introducing any EU institution such as a finance ministry, it does not seem unsurmountable. It is true that European politicians like Draghi and Juncker trail a long way behind national politicians in terms of their prominence (De Vries and Hoffmann 2016), but they are perceived by their EU functions.

The same applies to political issues. Although even in policy areas under European competence debates are currently primarily conducted at a national level, reflecting national views and interests rather than a European scope, the European angle has become visible. In areas of primary European competence like monetary policy, competition and – recently – asylum policy the European dimension has now reached the general public, even although the debate has mainly been led nationally.

Hence European issues are more likely to be generated by politics, i.e. through re-assigning responsibilities rather than picked up by media. A first significant milestone in fostering public debate in Europe might be cross-referencing the national and European levels of politics. A thoroughly prepared introduction of a finance ministry may stimulate public debate between the providers and beneficiaries of public goods. This would make a euro area finance ministry both an end to enhanced efficiency and a means to broaden the scope of European fiscal policy. Macron's European conventions conducted in France might be a start for a European debate, which is ultimately necessary to legitimize a regime of fiscal federalism in Europe.

Enhancing the prominence of European themes and personalities, or getting Europe into the headlines of national media should be a next step, while creating a European media landscape may lie further down the road. But given the rapid rise of new media and the proliferation of English as European language, the goal of reaching a transnational audience no longer seems unattainable.[4] Exponential growth in the number of followers of the EU commission in social media bears witness to the Europeanisation of the political debate.

[3] The daily Politico, the French-German TV channel ARTE and the online paper Huffington Post being noteworthy exceptions.
[4] According to numbers published by Instagram.

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