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THE EUROGROUP: REFLECTIONS ON LEGITIMACY AND ACCOUNTABILITY

Abstract

The Euro area sovereign debt crisis provoked transformative effects within the governance of the Economic and Monetary Union (EMU), introducing new modes of policy-making as well as new stakeholders within the governance structure, among which the Eurogroup. Although an “informal body” that gathers high-level, national representatives in deliberations related to wider economic matters within the Euro area, the Eurogroup quickly established itself as a key influencer of the policy agenda of the Economic and Financial Affairs Council (Ecofin). The Eurogroup's prominent role within EMU policy-making has attracted scholarly attention, with some noting that the body's role in decision-making is “under-theorised” (Craig 2017, p. 234), which in turn raises important concerns in regards of the Eurogroup's accountability and legitimacy. Against this background the paper examines the Eurogroup's legitimacy and (political) accountability, by outlining (or mapping) theoretical and legal basis thereof, especially in the perspective of EMU's growing democratic deficit.

In so doing the paper contributes to the broader literature on the legitimacy and democracy in the EU and the Euro area more concretely (Schmidt, 2013; Olsen 2007; Chopin 2013; Rose 2013; Scharpf 2015; Chopin 2016) furthering in particular the scholarship on legitimacy and accountability of EMU governance (Verdun 1999; Bovens, Curtin and 't Hart 2010; Alcidi, Giovannini and Piedrafita 2014; Olsen 2017) from the perspectives of political philosophy and political economy. Given the Eurogroup's prominent profile the paper's findings are relevant both for the academic as well as the policymaking community.

Key words: *Euro area crisis, Eurogroup, legitimacy, accountability*

Introduction

Since the outset of the Euro area sovereign debt crisis the Economic and Monetary Union (EMU) has experienced radical transformations of its legal framework, institutional set up and mode of governance. The last five years in particular – with the establishment of the Banking Union, have brought a flurry of crisis-driven policy initiatives and regulatory instruments through which they were implemented, as well as introduced numerous new stakeholders at the EU level that have been delegated various competencies and tasks as part of the more grandiose project of completing the "genuine EMU" (European Commission, 2012). Although many of them are worthy of scholarly examination, the Eurogroup is perhaps one of the more intriguing actors, since this "informal body" has managed to quickly established itself as a key influencer of EMU-related policy agendas, vociferous participant in key governance mechanisms and a specific accountability forum for other newly established stakeholders (*e.g.* for the Supervisory Board that has been organized within the European Central Bank). Hence, the Eurogroup should be at the forefront of scholarly attention because of several important reasons.

Firstly, as an informal body assigned with some of the most crucial tasks within EMU policy creation processes, it is difficult to ascertain whether the group will fulfil expectations given its mode of "informal governance". Secondly, the Eurogroup has to perform its tasks within a politically and legally challenging environment, since thanks to crisis-driven EMU reforms and the advent of the so-called Banking union the internal market for financial services (and banking, more concretely) has fragmented to two subsets of EU countries: the Euro area (and consequently Banking union) "Ins" and "Outs". Even if the policies and interpretations formulated by the Eurogroup are directed toward countries of the Euro area, the Member States outside the common currency area still need to follow Euro area developments, adapting and shaping their economic policies accordingly, given their Euro area pre-accession status. It is not surprising then that the Eurogroup has been heavily criticized for weak legitimacy toward EU Member States, irrespective of their Euro area status. Even if the Eurogroup enjoys high levels of "output" legitimacy thanks to proven problem-solving capacities in financial matters (it did, in the end, manage to weather some of the most turbulent times in the history of the Monetary union) it still lacks *representativeness* and *responsiveness* toward important stakeholders in EMU governance – meaning it lacks "input" legitimacy. To an extent, the Eurogroup's weak legitimacy only exacerbates the already fragile concept of EMU's overall democratic legitimacy and accountability. This lead us to the third argument in favour of a closer examination of the Eurogroup – namely, since the outset of the sovereign debt crisis the public acceptance of EMU's main institutional representatives is steadily declining, leaving some of the "traditional" actors – such as the European Central Bank with a rather low score in public confidence[1], which strains their legitimacy and accountability. If this is true in respect of institutional actors with legal foundations of almost "constitutional strength" since they are explicitly set up and provided by primary EU law (i.e. EU Treaty provisions) the issues of accountability (political, legal) and legitimacy become even more pressing in respect of newly revamped institutional actors, whose legality of actions is governed by a single Treaty article[2].

Against this background this paper examines the Eurogroup's legitimacy and political accountability, thus embedding this informal body within the governance framework of the post-crisis EMU. To this end the paper employs a qualitative, descriptive analysis of relevant scholarship, legal texts and policy documents related to the Group's establishment and performance. By so doing the paper contributes to the broader literature on accountability and legitimacy found in political sciences, political philosophy and economy[3]. It extends this literature to the field of EMU governance and focuses in particular on exploring these concepts in relation to actors whose decisional leverage was bolstered by post-crisis reforms – *i.e.* the Eurogroup.

1. The Eurogroup: legal basis, organizational set up, and mode of governance

Although the Eurogroup gained its prominence during the peak of the Euro area financial turmoil, particularly for its role in steering the Greek public debt crisis

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[1] Braun, B., "Two Sides of the Same Coin? Independence and Accountability of the European Central Bank", Transparency International EU, 2017. Retrieved from: https://transparency.eu/wp.../TI-EU_ECB_Report_DIGITAL.pdf *, at p. 4. (Accessed on 15.6.2018.)*

[2] Indeed, Art. 137 of the Treaty on the Functioning of the European Union (TFEU) stipulates that: "arrangements for meetings between ministers of those Member States whose currency is the euro are laid down by the Protocol on the Euro Group".

[3] See for instance: Beetham, D., *The Legitimation of Power (Issues in Political Theory)*, London, Palgrave Macmillan, 1991; Arnull, A., Wincott, D. (Eds), *Accountability and Legitimacy in the European Union*, Oxford University Press, Oxford, 2002.; Bovens, M., "Public Accountability", In: Ferlie, E., Lynne, L., Pollitt, C. (Eds), *The Oxford Handbook of Public Management*, Oxford University Press, Oxford, 2004.; Koppel, J. G. S., *World Rule: Accountability, Legitimacy and the Design of Global Governance*, University of Chicago Press, Chicago, 2010.; Schmidt, V. A., "Democracy and Legitimacy in the European Union Revisited: Input, Output *and* Throughoutput", Political Studies, Vol. 61, Iss. 1, 2012, pp. 2-22.; Alcidi, C., Giovannini, A., Piedrafita, S., "Enhancing the Legitimacy of EMU Governance", CEPS Special Report No. 98, Brussels, 2014.; Olsen, J. P., "Democratic Accountability and the changing European Political Order", European Law Journal, Vol. 24, Iss. 1, pp. 77-98.

and the management of its bailout, the sole Group, as an informal gathering of competent ministers, dates back to the years of the Euro introduction[1]. It was in June 1998 that the first meeting of finance ministers of the first Euro area countries took place, setting the practice of "preliminary discussions" on decisions to be taken by the European Council in respect of the Euro area[2]. The legal basis of this practice can be found in Art. 137 TFEU, whose provisions foster closer economic coordination and enhanced cooperation among countries of the Euro area within the auspices of an informal EU body – the Eurogroup. The Protocol 14 to the TFEU further provides details on the Group's internal governance although these are not extensive, since the Protocol itself extends to two articles. Art. 1 of the Protocol 14 stipulates that the meetings between Euro area finance ministers will take place "when necessary" in respect to the "specific responsibilities they share with regard to the single currency". The Group's operational mechanism is best described as the "informal working method", which means that:

> "The group can only influence policy formation through informal agreement among its members. Moreover, the group's influence depends on whether individual ministers advocate the group consensus while acting in formal decision-making contexts."[3]

Irrespective of the informality of governance set on paper, in practice the Eurogroup does exert considerable influence on actual decision-making of formal EU actors in policy creation processes, particularly in the field of its competence (*i.e.* economic and financial policies). This relates in particular to the influence of the Eurogroup on the activities and decisions of the Economic and Financial Affairs Council (Ecofin), as the specialist, competent formation of the European Council. Considering the fact that out of the current 28 countries represented within the Council by their respective finance ministers, only nine of them are Euro area and Banking union "outsiders" there is a possibility that Ecofin decisions adopt policy responses tailored to the preferences of the Euro area in which non-Euro area countries had little or no influence, but whose repercussions extend beyond the limits of the Monetary union. Indeed, Peutter reinforces this proposition as he finds that "the Eurogroup pre-agrees pending Council decisions informally" with the Euro area

[1] Craig, P., "The Eurogroup, Power and Accountability", The European Law Journal, Vol. 23, Iss. 3-4, 2017, pp. 234-249., at p. 234.
[2] Ibidem., at p. 234.
[3] Puetter, U., "Governing Informally: the role of the Eurogroup in EMU and the Stability and Growth Pact", Journal of European Public Policy, Vol. 11, Iss. 5, 2004, pp. 854-870., at p. 857.

determining “the vast majority of the votes in the Ecofin”[1]. Therefore without formally (or *legally*) defining Ecofin’s decisions, the Eurogroup nevertheless crucially shapes its policy agenda.

Given the scarcity of more detailed rules and provisions setting the inner workings of the Group, over the years it has become customary for the Eurogroup to meet monthly, prior to meetings of the Ecofin. However, if it is required meetings can be held more frequently, as was the case for instance during the Euro area sovereign debt crisis[2]. The meetings are chaired by the Eurogroup President, a key figure within the organizational set up. Presiding the Eurogroup for a two and a half year term, the President disposes with an actual power to influence broader macroeconomic processes in the EU. Namely, thanks to the Eurogroup’s dominance in Ecofin deliberations the policy vision of the Group’s President can easily coalesce with Ecofin’s official decisions[3] making it difficult to discern whether macroeconomic policies reflect “the genuine EU interest”. In addition the Eurogroup has become the chief organizing body of Euro Summit meetings, which bring together high-level representatives of Euro area countries with the President of the European Commission in a discussion on the perspectives of Euro area future economic developments[4]. Therefore it is viable to argue that the Eurogroup’s role is:

“central to all major initiatives relating to the euro area (…) which cover structural adjustment, macroeconomic planning, negotiation with states in receipt of aid (…) and aspects of banking union.”[5]

Considering that the Eurogroup has a “robust impact”[6] in respect of current EMU developments, it is imperative to shed light on the Group's accountability and understand the manner in which it builds its (democratic) legitimacy therein. What comes to mind is Magnette's argument on institutions set within unique political and/or legal environments, and how they can: “build its legitimacy through (..)

[1] Puetter, U., “Governing Informally: the role of the Eurogroup in EMU and the Stability and Growth Pact”, Journal of European Public Policy, Vol. 11, Iss. 5, 2004, pp. 854-870., at p. 857.

[2] Craig, P., “The Eurogroup, Power and Accountability”, The European Law Journal, Vol. 23, Iss. 3-4, 2017, pp. 234-249., at p. 235.

[3] See further in Craig, P., “The Eurogroup, Power and Accountability”, The European Law Journal, Vol. 23, Iss. 3-4, 2017, pp. 234-249

[4] Details on Euro Summits can be found at: http://www.consilium.europa.eu/en/european-council/euro-summit/

[5] Craig, P., “The Eurogroup, Power and Accountability”, The European Law Journal, Vol. 23, Iss. 3-4, 2017, pp. 234-249., at p. 235.

[6] Schmidt, V., “The Eurozone's Crisis of Democratic Legitimacy. Can the EU Rebuild Public Trust and Support for European Economic Integration?”, European Commission Discussion Paper 015, Brussels, September 2015., at p. 49.

communication and openness"[1], which again highlights accountability as legitimacy's more weighty component. Considering that in terms of "account giving" the Eurogroup has been found to underperform and that this entity has no apparent institutional or economic "peer" that can inform (or correct) the Group's decisions, there is arguably an accountability deficit that undermines legitimacy.

2. On the concepts of legitimacy and accountability

Prior to probing Eurogroup's actual degree of legitimacy and the appropriateness of its accountability framework, it is necessary to "set the stage" for the ensuing examination, by briefly reviewing the concepts of legitimacy and accountability. Questions of legitimacy follow politics and public policies from its beginnings. Even in ancient times, rulers understood that rule by force will only go to a certain extent. Therefore, it was necessary for the subjects to accept their rule and act accordingly, not only because of habit, routine or custom, or lets say out of fear or individual interest, but because of a genuine belief in the politics' and policies' validity and justifiability.

Early notions of legitimacy were theocratic, grounded in the "divine right" or "heavenly mandate", rule legitimized by the will of god (or gods) from which monarchies evolved. Perpetuity of governance in monarchies was secured by the strict rules of hereditary transfer of ruler's mandate. Non-compliance to these rules led to a loss of legitimacy, usurpation of rule and in the end, tyranny. Still, even this early, non-modern notions of political legitimacy had other substantive prerequisites other than procedural transfer of authority. The ruler to be legitimate still had to aim towards the general good of his society and he had to treat its subjects with fairness, if not with humanity and goodwill. There are many authors in the tradition of political thought (first among them, John Locke in his "Second Treatise on Civil Government" [2]) who consider that subjects have a right to resistance against the rule they consider illegitimate – either as a consequence of ruler's invalid mandate or for not following the substantial norms of governing.

With Modern Age the idea of political legitimacy transforms substantially. Liberal and democratic thinkers exchange the idea of "divine rule" with the idea of popular sovereignty as the only valid foundation for the establishment of the legitimate rule. Furthermore, the type of rule that is consistent with popular sovereignty is representative democracy. The idea of representative democracy grounds legitimacy of the government in the rational procedures through which it

[1] Magnette, P., "Towards 'Accountable Independence'? Parliamentary Controls of the European Central Bank and the Rise of a New Democratic Model", European Law Journal, Vol. 6, No. 4, 2000, pp. 326-340, at p. 331.
[2] Locke; J., , *Political Writings*, Hackett Publishing Company, Indianapolis, 2003.

establishes itself and further operates. This is a series of formalized, abstract and universal procedures and institutions, such as constitutional protection by the law of inalienable rights of man and citizens; elections as procedure through which the general will of people is known; majority rule as a primary rule in elections and decision making; and the establishment of free public sphere, in which pluralism in political and ideological positions is not just allowed, but valued. The political process in representative democracy demands consensus regarding the fundamental values and procedures of election and decision-making by all the members of a political community. That consensus enables the conflicts of special interest to be resolved through compromise, without putting in danger the entirety of the political order. But this is easier said than done.

First of all, in our “Global Age” the problem of legitimizing political governments and institutions has further exacerbated. As globalization processes have clearly shown us, global problems such as natural disasters, diseases and hunger, and even human-made calamities such as wars, terrorism and financial crises, really require a global level for their resolution. Thus, foreign policy, or field of international relations, is decreasingly under exclusive competence of national states. More and more non-national or supranational organizations have become a significant actor in this arena. In this way, the sovereign powers of the states are disrupted, which consequently undermines the democratic capacities of national governments. In essence, globalization has made it impossible to the national state to act as a protective cover for its citizens from the problems of the world, and thus made it difficult to enforce its tacit contract with citizens.

Furthermore, in global power centers decisions are taken that have consequences for a large number of world citizens, but those who make decisions have almost never been elected, can not be removed through democratic processes and are not in any way responsive to those who are subject to the effects of their decisions. In short, all elements of democracy are missing, there is no possibility of change through democratic processes at the national level. So, how are we to overcome this global democratic deficit and install governmental bodies and institutions that will be legitimized by the global public? This problem of global legitimacy is not easy to solve, especially because we are not sure if there is a “global public” in this day and age[1]. The countertendency easily translates to the EU-level

[1] Nevertheless, if take history as an example, many nation states were founded even before national sentiment in the people formed. As a famous quote by Massimo d’Azeglio, a 19th century Italian politician states “We have made Italy. Now we must make Italians”[1], maybe the same sentiment could be applied to our age. Maybe we first need to make the global institutions, however imperfect, and their work will form the global public, which will, in

of governance, where a centrifugal force in the form of the Banking union is causing a deeper cleavage between two subsets of countries – the Euro area "Ins" and "Outs". This political-economic reality burdens policy creation processes – procedurally as well as from the perspective of legitimacy, since it becomes more difficult for countries to coalesce on policy preferences as well as to maintain a "level playing field" between country subsets.

Against this background it is important to remember that legitimacy centres on accountability[1]. Accountability, however, is one of those terms which appears difficult to pinpoint. As a "buzzword" stemming from the political discourse accountability has gained prominence in discussions reated to the EMU's future in parallel to the decline of the public's appreciation of EMU's main stakeholders. Accountability can be described as a process of explaining and justifying actions taken by those exercising public authority to an accountability forum that can either be institutionally specific (*e.g.* parliament) or more general (*e.g.* the public)[2]. Grant and Keohane further introduce the right of overisght or the eforcement of some sort of sanctions by the accountability forum toward the "account giver" as important elements of accountability[3]. The two descriptions lead us to determine two main forms of accountability: political and legal. Translated to the discussion on the Eurogroup we can say that the first one demands responsiveness of the Group toward EU political institutions (the Commission, Council, Parliament) while the latter relates to the review and amendment (or even dismissal) of the Group's performance and/or decisions by judicial authorities, be it at national or EU level such as the Court of Justice of the EU. Therefore the Eurogroup's accountability arrangements should legitimize its economic governance by allowing other stakeholders in the EU political arena – such as institutions representing the EU legislative and executive branch in addition to the public, to familiarize with the Group's activities and overall performance. Moroever, the competent formations of some of these political actors (such as the Ecofin or the Parliament's Economic and Monetary Affairs Committee – ECON) should be able to match the Group's expertise in order to serve as effective "checks and balances".

turn, legitimize them. This is probably a wrong way around, but quite possibly the only practically feasible.

[1] Bovens, M., Curtin, D., 't Hart, P., "The Quest for Legitimacy and Accountability in European Union Governance", In Bovens, M., Curtin, D., 't Hart, P. *The Real World of EU Accountability – What Deficit?,* Oxford University Press, Oxford, 2010.

[2] Bovens, M., "Public Accountability", In: Ferlie, E., Lynne, L., Pollitt, C. (Eds), *The Oxford Handbook of Public Management,* Oxford University Press, Oxford, 2004, pp. 182-209.

[3] Grant, R., Keohane, R., "Accountability and Abuses of Power in world Politics", American Political Science Review, Vol. 99, Iss. 1, 2005., pp. 29-43., at p. 29.

3. The Eurogroup in action: legitimate and accountable?

At first glance the Eurogroup, as a rather unassuming governance development within EMU's post-crisis framework, does not entail accountability and therefore legitimacy concerns. What reinforces this assumption is the fact that from a legal perspective, the Eurogroup "is not an EU institution and it cannot adopt legally binding decisions"[1]. Still, the fact remains that this informal gathering of high-level Euro area officials decisively informs the overall policy agenda and subsequent responses taken by EU political actors. As captured by Puetter:

> "In the absence of any significant supranational political authority common policy objectives can only be viable if they emerge from consensual processes of decision-making."[2]

Therein lies the real political (and almost, institutional) strength of the Eurogroup, who manages to exert important repercussions to the EU-wide policy framework with its informal mode of governance. If the work of the Eurogroup reverberates to policy projections beyond the Euro area jurisdiction, it is then justifiable to expect clearly defined accountability frameworks, which serve as a competent tool to the Group's legitimacy. Indeed, this assumption figures as a fundamental cornerstone of enhancing the democratic legitimacy of EMU post-crisis project since:

> "First, in multilevel governance systems, accountability should be ensured at that level where the respective executive decision is taken, whilst taking due account of the level where the decision has an impact. Second, in developing EMU as in European integration generally, the level of democratic legitimacy always needs to remain commensurate with the degree of transfer of sovereignty from Member States to the European level."[3]

Does the current Eurogroup's status fulfil these propositions? Following the first proposition – that of equality between the levels of decision-making and account giving, we first review existent accountability arrangements at the EU level, or in the interest of accuracy, the lack thereof. Namely, it is still impossible to discern to

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[1] Mahony, H., "The Rise of the 'Untransparent' Eurogroup", EUobserver, Brussels, 6 May 2015. Retrieved from: https://euobserver.com/economic/128582 (Accessed on 15.6.2018.)

[2] Puetter, U., "Governing Informally: the role of the Eurogroup in EMU and the Stability and Growth Pact", Journal of European Public Policy, Vol. 11, Iss. 5, 2004, pp. 854-870., at p. 866.; see also Puetter, U., "Informal circles of ministers – a way out of the EU's institutional dilemmas?", European Law Journal, Vol. 9., Iss. 1., 2003., pp. 109-124.

[3] Communication from the Commission, "A Blueprint for a Deep and Genuine Economic and Monetary Union: Launching a European Debate", Brussels, 30.11.2012., at p. 35. Retrieved from: http://bruegel.org/events/a-blueprint-for-a-deep-and-genuine-economic-and-monetary-union (Accessed on 15.6.2018.)

whom the Eurogroup is accountable at the EU level, at least in the context of the description of accountability noted in the previous section (*i.e.* relationship between an "account giver" and a "forum")[1]. As a *sui generis* formation of the European Council, the Eurogroup's main accountability is toward the Council:

> "The Eurogroup can (…) have an obligation to explain and to justify its conduct, and the European Council can pose questions and pass judgement, and the Eurogroup may face consequences."[2]

What emerges from this argument is the requirement of specified benchmarks against which the Eurogroup's performance can be measured. However if we recall the main tasks of the Group (closer coordination and enhanced cooperation in macroeconomic matters between Euro area countries) together with the Group's results (articulating broader policy recommendations/stances who in turn shape EU-wide policy responses) it becomes apparent that there is no specified, objectively set benchmark. Furthermore, the role of the European Parliament as a specific accountability forum also appears limited. Overall, the Group's accountability could be strengthened through a greater involvement of the European Parliament[3], which as a representative body would exert a system of "checks and balances" on the workings of Euro area finance ministers. Since EU primary law does not explicitly provide for accountability mechanisms in respect of the Eurogroup as an informal body acting within the remit of macroeconomic policies, then the arrangements of the Group's account giving may be developed along the lines of the so-called "monetary dialogue", an accountability channel developed in practice between the European Central Bank and the European Parliament in the domain of monetary policy. This dialogue could involve, for instance, the President of the Eurogroup and the Chair of the Parliament's competent committee – the Economic and Monetary Committee (ECON) in an informative exchange of views regarding macroeconomic priorities in the Euro area, as well as " country-specific recommendations and their implementation by Member States"[4]. Overall, the actual practice of political accountability is weak, leaving ample space for practical improvements and re-calibrations of inter-institutional relations. Lastly, turning to the issue of Eurogroup "external" or public accountability it is important to note that:

[1] Craig, P., "The Eurogroup, Power and Accountability", The European Law Journal, Vol. 23, Iss. 3-4, 2017, pp. 234-249., at p. 240.
[2] Ibidem, at p. 240.
[3] Alcidi, C., Giovannini, A., Piedrafita, S., "Enhancing the Legitimacy of EMU Governance", CEPS Special Report No. 98, Brussels, 2014., at p. 4.
[4] Ibidem, p. 32.

> "There is no legal obligation of the Eurogroup to inform the public or other institutions about its activities. There are no transparency rules for the Eurogroup. There are no minutes of its meetings."[1]

Admittedly, in the apex of the Euro area "banks-to-sovereigns" crisis, the Eurogroup president made a welcomed step forward to enhance public accountability, deciding to publish agendas beforehand the Group's meetings as well as informative summaries of those meetings afterwards[2]. At the same time individual Member State's positions remain confidential impeding genuine transparency and understanding of the Group's inner mechanisms. What follows is a weak practice of public accountability, which does not contribute to the democratic legitimacy of the Eurogroup.

Turning to the proposition that legitimacy should be commensurate with the degree of transferred sovereignty, we can argue that Eurogroup's legitimacy – output and input, remain strained not only by accountability deficits but also by representativeness issues. The fact that Eurogroup's deliberations shape the Council's policy agenda and therefore steer macroeconomic responses of countries beyond Euro area jurisdiction, paired with the reality of these deliberations reflecting policy preferences of a limited subset of countries (namely, Euro area Member States exclusively) significantly challenges the Group's legitimacy.

Conclusion

From the perspective of Europe's deepening financial integration crises should not be considered exclusively as times of duress but also seen as evolutionary moments in integration processes, which redefine roles, powers and dynamics. The recent Eurozone crisis with its economic turbulences that have been (largely) surpassed left us with a challenging political and economic reality – that of a fragmented EU. It is not surprising then that the majority of crisis-driven reforms focus is primarily on the EMU. Among the manifold refinements the revamp of the Eurogroup's role in EMU governance is one of the more interesting developments, considering that EMU's overhaul primarily attempts to enhance accountability and legitimacy of the monetary union.

[1] A statement by Rene Repasi, professor at Leiden University, as cited in Mahony, H., "The Rise of the 'Untransparent' Eurogroup", EUobserver, Brussels, 6 May 2015. Retrieved from: https://euobserver.com/economic/128582 (Accessed on 15.6.2018.)

[2] Hoffmann-Axthelm, L. , "Follow the minutes, follow the money", Transparency International EU, 12 February 2016. Retrieved from: https://transparency.eu/follow-the-minutes-follow-the-money/ (Accessed on 17.6.2018.)

Set up by “the finance ministers of the euro area” the Eurogroup is “deprived of any formal decision-making competences and keeps a low official profile”[1]. Irrespective of its restrictive membership, which makes for one of the smallest bureaucratic organizations within Brussels with no immediate administrative support the entity manages to critically inform “the overall orientation of economic governance in the euro area and establish common interpretations of EMU's core policy instruments and their applicability”[2]. A case in point is the “centrality of the Eurogroup to EU macroeconomic planning” attested by its lead role in the Council-convened Euro Summits[3] as well as the decisive influence Eurozone’s finance ministers exert on the policy agenda and responses of the Ecofin.

All of these developments are unfolding against a declining public appreciation of the ever more technocratic EMU thanks to the re-calibration of policy powers of its main actors – indeed, this is the case for the Eurogroup who has played the role of *the* key forum whose deliberations then informed decisions of EU political institutions during the apex of the crisis. Considering its political and policy power, the Eurogroup should enjoy undisputed democratic legitimacy and (political) accountability. However, this does not reflect reality. Current accountability arrangements are rather broad and imprecise, leaving ample space for political manoeuvring to members of the Group, a viable possibility that is confirmed by the lack of formal transparency requirements. This exacerbates accountability shortcomings, since it is almost impossible to discern whether the Group’s official conclusions and recommendations truly reflect “genuine Euro area interests”. The Group’s impaired accountability further undermines legitimacy, particularly from its “input” aspect.

The technically knowledgeable, high-level representatives gathered under the auspices of the Eurogroup may be well equipped to offer advice in macroeconomic matters, but they still lack legitimacy to steer EU-wide policy responses. In this regard Eurogroup’s accountability arrangements leave much to be desired.

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[1] Puetter, U., The Eurogroup: How a Secretive Circle of Finance Ministers Shape European Economic Governance (European Policy Research Unit), Manchester University Press, Machester, 2006, at p. 1.

[2] Ibidem, at p. 1.

[3] Craig, P., “The Eurogroup, Power and Accountability”, The European Law Journal, Vo. 23, Iss. 3-4, pp. 234-249., at p. 236.

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