

EUROPEAN GOVERNANCE PAPERS

No. C-05-01

Beate Kohler-Koch

European governance and system
integration

EUROGOV

EUROGOV is funded by
the EU's 6th Framework Programme, Priority 7



European Governance Papers

EUROGOV

ISSN 1813-6826

<http://www.connex-network.org/eurogov/>

The European Governance Papers are a joint enterprise by



Date of publication: March 14, 2005

European governance and system integration

© 2005 Beate Kohler-Koch

Beate Kohler-Koch – Mannheim Centre for European Social Research (MZES),
University of Mannheim – bkohler@uni-mannheim.de

Citing this EUROGOV paper:

Kohler-Koch, Beate. 2005. European governance and system integration. *European Governance Papers (EUROGOV)* No. C-05-01, <http://www.connex-network.org/eurogov/pdf/egp-connex-C-05-01.pdf>.

© Each EUROGOV Paper and its format and content (texts, images, data etc.) are protected by legislation on Intellectual Property, and may not be used, reproduced, distributed, modified, publicly disclosed, conveyed or transformed in any other way without the explicit permission of the Author(s). The common scientific citation is exempted from these property rights.

Abstract

The paper presents a new approach to EU governance by stressing the interdependence of governance and integration. It suggests that EU governance is not just shaped by the emerging properties of the EU polity but has a strong impact both on system formation at national and European level. It is a process of mutual structuration which is likely to affect the integration and coherence of member state systems up to a point where European 'good governance' may threaten the governability and democratic quality of established national systems. The paper goes on by presenting an analytical model to assess in a systematic way why and when EU governance may qualify as stumbling stones for member state coherence or stepping stones for transnational integration. A preliminary test of this analytical model comes to the conclusion that EU governance has the effect of opening a trans-national polity space which, however, has so far not produced any visible dis-integrative effects at the national level. In view of the long time horizons for social change, the paper recommends thorough comparative research to take a closer look at the interdependence of EU governance and system evolution.

Keywords: governance, Europeanisation, integration theory, multi-level governance, political science

Table of Contents

1	The interaction of governance and system integration	4
2	European governance: Introducing dynamic change	5
2.1	A governance approach to European integration.....	5
2.2	A process model of change	6
2.3	Differential inputs	7
3	European governance: Stumbling stone for national system coherence and stepping stone for European integration?	9
3.1	Caveats.....	10
3.2	Exit, voice, and system structuring: Plus ça change, plus c'est la même chose?	10
3.3	Still a Europe of well integrated nations?.....	12
4	An agenda for European research on governance and integration.....	14
4.1	European governance in a differentiated environment	14
4.2	Exploring the potential for system change	15
	List of references	18
	Annex	20

1 The interaction of governance and system integration¹

European governance ranks high on the present research agenda. Numerous projects explore how patterns of governance have changed or should change to fit the demands of a differentiated non-state system. Research is contextualised reflecting the particular multi-level properties of the EU system, the specific needs of individual policies and the broader socio-economic setting which has caused similar evolutions of governance patterns at national and international level. Nevertheless, it is a narrow and static view since European governance is conceptualised just as the dependent variable in a given institutional system. This paper presents a new approach suggesting that European governance and system evolution are interdependent and part of a dynamic process of mutual structuration. The quality of good European governance, therefore, can not be assessed without exploring the systemic effects, i.e. the impact European governance has on system integration both at European and national level.²

The conventional argument runs as follows: Constitutional decisions shape European integration, integration is synonymous with building a common market, sharing decision making powers, and getting closer in terms of cultural identity. In short, a polity is emerging which then has to be endowed with a fitting system of European governance. The research task is obvious though not easy: It requires first defining the nature of the emerging European polity and in a second step to design appropriate mechanisms of European governance.

This view ought to be challenged for two different reasons:

- 1) Not only constitutional decisions but daily governance – that is the ways and means of setting priorities concerning substantive policies, of choosing incentives and sanctions to ensure compliance – will shape integration. From this it follows that different modes of European governance will have a differentiated effect on integration.
- 2) European governance does not only affect European regional integration but also national integration or rather disintegration. European governance is opening a transnational space of politics and provides exit options. With the proliferation of exit options, the member states' capacity to stabilise internal coherence will shrink.

The main deficiency of governance research is the neglect of systemic effects. What from the EU perspective may qualify as 'good governance' may have disintegrative

¹ I am grateful for a thought provoking comment by an anonymous reviewer which, due to time restraints, I could not respond to appropriately in this publication but which will certainly influence my further reflections on the subject.

² The approach presented here has been very much inspired by the writings of Stefano Bartolini and Johan Olsen. I see my own contribution in linking the governance approach (Jachtenfuchs and Kohler-Koch 2003; 2004) with Bartolini's approach to system building and political structuring (Bartolini 2004) and Olsen's conceptions on institutional reform (Olsen 2003). As it is a conceptual paper I will pay tribute to just a few publications in the large stock of writing which take up the many different aspects of European governance.

effects at the national level and threaten both the governability and democratic quality of national systems. A critical assessment of European governance should, therefore, take into account the systemic structuration through European governance. It boils down to the question of to what extent the opening of a trans-national space for the individual pursuit of socio-economic and political benefits will deprive member states of their capacity to accommodate competing aspirations of their citizens. So far, only the nation state with coherent functional systems has been successful in generating loyalty and solidarity among free citizens. It was successful because it managed to organise within given territorial boundaries a combined system of social sharing, political participation and cultural identity.³ If European governance contributes to disentangling the national economic, political and social spheres we need a theoretical framework and analytical tools to assess how it will affect system integration at national and European level.

I will develop my argument as follows:

- 1) First, I will briefly introduce the governance approach to EU integration and system transformation,
- 2) I will then ask why and when European governance mechanisms will qualify as stumbling stones for member state coherence or stepping stones for trans-national integration and point out the differential effects of different modes of governance,
- 3) Furthermore, I present illustrative empirical evidence concerning the transformative power of European governance, and
- 4) Finally will refer to on-going research that is likely to contribute to deepening our knowledge.

2 European governance: Introducing dynamic change

2.1 A governance approach to European integration

The characteristic difference of European integration when compared to other projects of regional integration is that from the very beginning it was not just a regime institutionalising a common market but a supra-national system of governance. Integration started with the institutionalisation of a 'High Authority' with limited but real regulatory powers. Later, the supra-national authority of the EC Commission was downgraded, but, nevertheless, the Community institutions constitute political agency and they enjoy a considerable degree of political autonomy. The de-nationalisation of the economic space, that is the dismantling of individual 'Volkswirtschaften' (the national economic orders) under the rule of a European Economic Community, was brought about in a protracted process of political decision-making. Parallel to the expansion of the scope and level of economic and social integration, the governance system was progressively up-graded, reviewed and revised.

³ Bartolini (2004, 1) builds his theoretical argument on the work of Stein Rokkan (Rokkan et al. 1987) and Alfred O. Hirschman (1970).

From this it follows that a governance approach is well suited to understanding the mechanisms and the extent of de-nationalisation, i.e. organising basic activities like economic exchange or legal protection beyond the nation state. I define governance as the continuous political process of setting explicit goals for society, of providing incentives and sanctions for their achievement, of monitoring and controlling compliance. Of interest in our context is not the policy output of governance but the way in which the decisions are arrived at, and the practise and principles institutionalised in European governance.

European governance may close opportunities of political participation that citizens and their associations have enjoyed in the national context. The transfer of decision-making powers to Brussels may take it out of reach for local grassroots activists. But European governance may also open opportunities for societal groups that so far had been excluded such as migrant workers who have been encouraged by the Commission to get organised on the European level. European governance will open exit opportunities: Resourceful actors like business can escape national regulations and opt out of national corporatist systems of interest intermediation and turn to Brussels where they find open doors for lobbying. Via Brussels they may change existing national regulations. That is to say, new opportunity structures may distribute the chances for political actors to raise their voice in the decision-making process unevenly (Marks and McAdam 1996, 120) and thus affect the political power balance in member states. Such a distorting impact may result from procedures of consultation and decision-making but also from giving legitimacy to distinct kinds of political action. Arguing, bargaining and partnership arrangements have been qualified as 'appropriate' means of interest representation, and not so contending actions (Commission 2001).⁴

The question then is how do these differentiating effects bring about institutional change?

2.2 A process model of change

I take the lead from Hirschmann's (1970) well-known concept of exit, voice and loyalty to suggest a process model of change.

My hypothesis is that European governance brings about a de-bordering of member state governance and provokes a de-nationalisation of the political space. I suggest that it be conceptualised as a two step process: First, European governance has a direct effect on the political structuring of the national polity by opening exit options and empowering actors to have a voice. The ensuing shifts in the constellation of actors and interests may have a culminating effect when the de-integration of national structures goes along with the development of trans-national structures. It will finally produce new social and political differentiations which run counter to established cleavage structures and systems of interest intermediation.

⁴ On this point the Commission takes a forthright position: 'Participation is not about institutionalising protest.' (ibid., 15)

Changes in the domestic system of political structuring are, however, not sufficient to challenge national integration. The second step in the process of change will only follow when the political re-structuring cuts short the member states' capacity to organise territorially bound loyalty and solidarity. Polities are held together not just by the ways and means of internal political structuring but, above all, by the glue of cultural identity and national belonging. Therefore, we should take a close look at what holds a polity together and to what extent these ties differ between individual national systems (Olsen 2003).

To put it in a nutshell, the hypothesis is that European governance will de-nationalise political structuring by opening exit options and providing access to external political resources. The development of European-wide structures will further encroach on national structuring. Depending on the scope and intensity of this process, member states may no longer be able to accommodate competing interests within their own boundaries which will undermine the basic components of the domestic systems that safeguard system integration. In the end, governability may suffer despite 'good European governance'.

Concerning the main system components orchestrating political structuring and safeguarding integration, I follow Bartolini (2004). Political structuring is brought about by

- systems of interest intermediation,
- institutionalised centre-periphery relations, and
- cleavage systems.

System building and stabilisation relates to normative aspirations which are fundamental for consolidating loyalties and solidarities; they embrace the notion of

- cultural equality (national identity),
- social equality (social sharing), and
- political equality (political participation).

2.3 Differential inputs

An analytical model needs more specifications in order to provide an answer to the question of why and how European governance might interfere with the member states' system of internal political structuring and eventually with national system coherence.

First, the European Union is an attractive locus of decision making because it can provide exit options relating to substantial policies. It offers escape routes to avoid unwanted national regulation be it in terms of *impositions* (such as in the past taxation of capital earnings), *restrictions* (resulting in additional costs like in the agricultural production of genetically modified food) or *obligations* (paying university fees).

Second, it offers opportunities for up-grading political *influence* by providing access to decision making, it grants *resources* to improve action capacity, it provides legal instruments to defend *rights*, and it develops principled ideas to *legitimise* demands.

Actors may seek to take *influence* on national regulations through Brussels or may strive for EU wide regulations. Community institutions qualify as open and despite the complexity of the decision-making process as comparatively transparent. A wide choice of avenues allow them to enter the policy making process and interested parties can raise their voice in different capacities: as experts, lobbyists, stake holders, social partners, civil society organisations or just citizens. 'Participatory democracy' is the new catchword to give the public-private interchange direction. A broad variety of involvement strategies has been developed over the years and is employed throughout the policy cycle: from inter-group discussions and round tables in the phase of problem definition and agenda setting, to a variety of instruments of consultation and deliberation during the process of policy formulation, to effecting partnership arrangements in implementation and providing societal actors with rights of monitoring and legal control.

To pave the way into the decision making process, EU institutions provide financial and organisational *resources* to selected interests, ranging from subsidies for individual organisations, to the promotion of networking and advocacy coalitions, the privileged access to information and arenas of public discourse.

Furthermore, when compared to other systems of regional co-operation, the EU stands out because it is a Community based on the rule of law. It has created its own legal system that is operating independently but penetrates into the legal order of member states and takes precedence based on the doctrine of direct effect and supremacy. What is of interest in our context is that it provides jurisdictional resources to individual actors. It gives every naturalised and legal person the *right* of judicial review not just of unlawful EU action, but also to be used against their own national authorities. They may plead the invalidity of a government measure before the national courts, and national courts will apply and interpret Community law subject to the authority of the European Court of Justice (Shaw 2000, 485).

Compared to the legal provisions, the ideational resources of the EU are soft and vague. Nevertheless, the constructive turn in the social sciences has alerted our attention to the importance of rhetoric action and the political impact of 'hegemonic ideas' (Gramsci). Community institutions, above all the Commission have provided focal points for principled deliberations, they have been successful in forging epistemic communities and organising public resonance for their cherished ideas. The dissemination of *legitimising* ideas, be it through public campaigns or by providing arenas for discussion, has activated like-minded groups and mellowed or accentuated dissent (Kohler-Koch and Edler 1998). This may bring latent cleavage structures into the open and even contribute to shifting definitions of identities.

To sum up, European governance serves national actors to accumulate political capital. It endows them with rights, empowers them by providing exit opportunities and access to resources, and stimulates imaginations of a wider identity. These openings will have varying effects in different member states. How hard they will shake the coherence of national polities depends in part on their attractiveness and on the ease of access and in part on what holds national polities together.

Attractiveness and accessibility rest – among others – on the characteristics of European governance. I take three different modes of Community governance with particular and distinct features to illustrate my case: The traditional Community method, the open method of coordination and the civil dialogue. Each will be scrutinized under the aspect of how it contributes to the de-bordering of national governance and how it affects the member state systems of internal political structuring and finally their ability to organise solidarity and loyalty.

- 1) The Community method, i.e. intergovernmental arguing and bargaining on the basis of a Commission proposal with a strong mediating role of the Commission (and in case of co-decision a correcting voice of the European Parliament) is predominantly a two level game with governments as gate-keepers. Resourceful actors can, however, by-pass national interest aggregation and are invited by the Commission to do so; nevertheless, de-bordering of national governance is still under government control (Grande 1996; Moravcsik 1999).
- 2) The Open Method of Coordination (OMC) is a new tool of European governance which looks like a soft way of de-bordering government authority from above (Zeitlin 2005). Member states are obliged to regularly provide information, get examined, and reassess current policies against their relative performance and they are encouraged to involve private actors. Thus, governments are subject to external scrutiny, which is bound to trigger domestic public debate. European monitoring links with internal political competition (as was demonstrated in the political debates on revising the stability pact).
- 3) Efforts to widely involve civil society (Knodt 2005) have resulted in the constitutionalisation of the principle of participatory democracy (Constitutional Treaty Art. I, 47), a pledge by the Commission to widely involve civil society organisations in policy formulation and implementation and the expanded use of new procedures like online consultation. The latter, in particular, comes close to a de-bordering of the member states from below (Grote and Gbikpi 2002; Knodt 2005). It provides easy and low cost access to EU policy making. Actors can by-pass territorial interest aggregation both by governments and national interest groups which thus lose their gate-keeping function.

3 European governance: Stumbling stone for national system coherence and stepping stone for European integration?

What – on the basis of the present state of research – do we know about the real effects of European governance? Are they stumbling stones for national system coherence and/or stepping stones for European integration?

Before I will provide empiric evidence to give flesh to the bones of my analytical model, I want to add 3 caveats:

3.1 Caveats

The state of knowledge is far from satisfactory due to three main reasons:

(1) First of all, theory and empirical evidence suggest that European governance will have varying effects in different member states. Research on Europeanisation has highlighted the differential patterns of absorption, adaptation and change (Héritier 2001). Examining the fit or misfit of institutional constellations is a first approximation in assessing the differences to be expected (Cowles 2001). Such differences are compounded by underlying power structures which, again, differ from country to country. Comparative research has confirmed that political competition, administrative action capacity and principled orientations are decisive for institutional transformation (Knill 2001; Kerwer 2001). Thick descriptions on the basis of comparative case studies provide a valuable source for understanding cross-country variations. But they are limited in number and mostly only refer to the 'usual suspects' of comparative research (the UK, Germany and France).

(2) A second caveat is that systems of internal political structuring are flexible, malleable, and able to absorb changing context conditions (Olsen 2002b; 2004). Furthermore, they are not uniform, never perfectly integrated and may be already out of touch with a changing social reality when pressures to reform accumulate. Sudden changes like in the Italian political party system reveal that institutional inertia may persist for a long time. Also, established systems of political structuring may be rated to be less advantageous than the ones offered by the EU. European policy networks may not only be an attractive alternative but also an efficient instrument to open the closed shops of a national policy community.

(3) Last, not least, interactions will get institutional consolidation only when they find a point of crystallisation. This can be a focal point in discourse or an institution providing organisational support. Competing logics of political participation will draw legitimacy from an 'idée directrice' (Hauriou 1965) and cluster around principles and practice institutionalised in organisations. The international dissemination of the concept of the stakeholder citizen and the introduction of consultation procedures that put emphasis on spontaneous individual interventions nourish the belief in the appropriateness of individualistic rational choice strategies. More robust are matching logics of organisation. The principal of functional differentiation as institutionalised in the Commission's administrative structure give pre-eminence to the principle of functional rather than territorial interest intermediation (Egeberg 2005).

3.2 Exit, voice, and system structuring: Plus ça change, plus c'est la même chose?

What now does empirical evidence tell us about the differentiating effects of European governance on the internal political structuring of the member states? What do we know concerning the systems of interest intermediation and of centre-periphery relations? Both areas are good cases for testing because they are well researched, at least in the old member states.

Concerning interest intermediation (Eising and Kohler-Koch 2005), it is common knowledge that European governance has introduced innovations, that it invited actors like big business to escape national filters of interest aggregation and furnished them with additional political power resources. But does this make a difference concerning the way the systems are structured? Did exit options and wider opportunity structures change shared notions of appropriateness, did it shift power relations, did it promote the emergence of new actors or new issues and did those prove difficult to get incorporated in the established systems? Finally, did a system change come about that challenges the functioning of national integration?

The general picture is that attention and resources have shifted from the national to the European level. Collective actors like trade associations and regional governments have adapted their organisations, strategies and instruments. It is also well established that the need and the capacity to do so has varied. Big players like transnational corporations did not just followed a transfer of competence to the EU level but often got engaged in pro-active interest coalitions in order to push a deepening of integration. But despite their competitive advantage, they did not opt out of the national systems of interest intermediation but rather play at both levels. At least for the old member states the empirical evidence is unambiguous: Interest intermediation is firmly established at EU level, it accentuated the unequal distribution of opportunities and resources, it followed pluralist network patterns that are easier to reconcile with some national systems than with others, but nowhere did it disrupt the member state system of interest intermediation. It did not uproot the established power balance nor did it alter public-private relations; national governments are still strong gate-keepers. The story in the transition countries may be different, unfortunately it is less well known.

Another well-researched field are centre-periphery relations (Conzelmann and Knodt 2002). The idea that the 'Europe of nation states' may be transformed into a 'Europe of regions' has given wings to academic research. In addition, numerous comparative investigations of regional policies and the implementation of structural funds have provided deep insight into the working of multi-level governance. The result is mixed as scholars hold different opinions about the extent, the reasons and the mechanisms of change. Thanks to European governance, regions may by-pass national governments and have access to additional resources. But in both instances, their choice is restrained by the frames set by governments. Furthermore, the upgrading of regional competence in the European policy process has to be seen in relation to the loss of competence in the national arena due to European integration. Equally ambivalent is the re-distribution of competence between centre and periphery within member states. Above all, it is difficult to attribute it to European governance as we can witness parallel developments in countries outside the EU, like Switzerland.

In my assessment, a 'Europe of the regions' is a fad and the European Committee of the Regions is certainly not a point of crystallisation for a trans-European restructuring of centre-periphery relations. Regions are firmly established in the national system of territorial structuring. They, too, have expanded their realm of activities to the European level and play an important role as promoter of business and other interests of their constituencies. Though the institutional context conditions of the EU are relevant, the action capacity of regions is dependent on the administrative

resources at home and the centrality of regional governments in intra-regional networks (Kohler-Koch et al. 1998).

National cleavage structures have deep societal roots, a long history and are institutionally embedded so that it needs more than governance intervention to make them change. Also, similar socio-economic constellations and cultural traditions across Europe contribute to the stability of cleavages in the individual national polities: All EU member states are characterised by cross-cutting cleavage structures and, though their intensity varies between countries, political strife is at a low level. Nevertheless, introducing new governing principles and practice could accentuate existing conflicts and deepen cleavage lines by legitimising aspirations of one party over the other. De-bordering the political space might accrue to trans-national political identification and give subdued national cleavages expression on the European stage. So far, however, we have little evidence that European governance has deepened or mellowed societal polarisation. Cleavage lines have not shifted nor have new ones been added in direct response to the EU. Only in the political arena of the European Parliament a new cleavage - between supporters and opponents of deepened European integration - is becoming manifest. So far, however, this new political division has not spilled over into the member states. Though all national political party systems have changed over time, some more, some less spectacularly, none of these changes have been set off by Euro-level developments (Mair 2000). Social movements and political protest that took issue with European integration and individual European policies have been weak and mostly 'domesticated', i.e. targeted at national governments and the national public (Imig and Tarrow 2001).

The perception of unequal chances offered to European citizens have, so far, not split national societies in trans-national, foot-loose fortune hunters and home-bound tax payers bearing the burden of social obligations.

3.3 Still a Europe of well integrated nations?

In view of the limited effect European governance has had so far on the internal political structuring of the member states, it is not surprising that the political and social coherence of national systems has only been marginally affected.

The national system of social sharing is under stress; the EU sets constraints and gives direction but the reform of the welfare state is still a national affair. Political bargaining over the stability pact makes it obvious that even legal obligations are adjusted to national needs. Governments take political action and they have to bear the brunt of public discontent.

A similar picture emerges when assessing the system of democratic participation. Political power is still lost and gained in national elections and these are barely influenced by the European political process. Governments still are at the centre of politics, though government autonomy has been constrained in the process of pooling governance competence in the EU. It sounds like a paradox, but political participation has been devalued both by the weakness and the strength of governments. Governments have to share their power with member state governments but they can escape parliamentary control. Parliaments have in different ways tried to re-

establish parliamentary accountability with varying success (Benz 2004). Nevertheless, political participation is still geared towards the national political process. People are not enthusiastic about the state of democratic governance, as declining turn-out in national elections demonstrates, but a still strong permissive consensus is supporting national systems of governance.

Last, not least, European governance has touched identity formation only at the margins. The vast majority of the population remains firmly attached to their nation. In addition, national and European identity can live in peaceful coexistence: National identities are largely based on feelings of belonging, on cultural and historical well-feelings, whereas European identities are largely instrumental, based on self-interested calculations (Ruiz Jiménez, Antonia M. et al. 2004). It should be noted, however, that a culture of compromise has become a characteristic feature of elite negotiations and that the general public has developed a more inclusive attitude. Trust in citizens of other member states has increased over the decades and a European identity obviously goes well together with a national identity. These widely published findings should, however, be taken with a grain of salt. On closer scrutiny, the empirical data reveals that the increase in trust is a general phenomena and that in a majority of countries trust in fellow citizens has grown more rapidly than trust in other European citizens (Delhey 2004).

To conclude: European governance has made the boundaries of the member states more permeable but it is not yet a stumbling stone for national system coherence. It has not transformed or disintegrated the national systems of political structuring and does not impede the national territorial construction of solidarity, political participation and identity.

Equally, European governance is not (yet) a stepping stone for trans-national system transformation. The system is still dominated by home-bound actors extending their realm of activities. They are the prime movers in the multi-level system of the EU and are equally constrained by national and supra-national institutions. Even when social groups engage in European wide co-ordinated action they are not subject to trans-national structuration. If, in the future, the expanded direct involvement of civil society may bring a change needs further research. Up to now instruments employed by the Commission to build a trans-national European constituency are deficient: Project funded partnership arrangements are too marginal, consultation procedures do not provide 'ownership' for social groups or, in the case of on-line consultation, do not offer a point of crystallisation for collective action. European governance is changing structures within the member states but it does not re-structure the nation-bound European societies.

To put it in a nutshell: Nations and governments are here to stay.

4 An agenda for European research on governance and integration⁵

The assessment that the process of political and social accommodation is still centred at the national level does not change the research agenda on European governance. The broader view on the interdependence of governance and system integration is still valid. It will give us a deeper understanding of the evolution of European governance and keep us attentive to its systemic impacts.

4.1 European governance in a differentiated environment

Modes and instruments of European governance have been modified in recent years to match the growing plurality in EU policies and the increased diversity between the member states in the enlarged Union. In part it is a move away from the 'integration through law' approach and this is justified with functional and normative reasons: Soft modes of governance are supposed to introduce more flexibility; greater decentralisation and more public-private co-operation is believed to be more responsive to stake-holder needs and, as a consequence, improve policy output and compliance. To better understand the gradual transformation of European governance it has to be seen in the context of the evolution of regional integration and emergent trends in member state systems. Theories of integration give us little guidance to foresee how the turn to more informal ways of policy co-ordination will affect the future of the European construction. This is, quite obviously, a field of research that still has to be developed and that would profit from contributions by different disciplines.

An assessment of the functional logic and the appropriateness of the emergent patterns of European governance can not be satisfied with the account that it follows similar evolutions at national and international level. It takes systematic empirical research to explore how European governance interacts with the diverse member state systems. It will be rewarding to go beyond the evaluation of functional performance in the respective policy field and take up the issue of a spill-over into the wider system of national governance and the effect on national system integration.

Furthermore, the bottom-up process of shaping European governance needs more attention. Research on Europeanisation often takes too little account of the question of how European governance is used by domestic actors and how it becomes converted in the process of operation. European governance will for a long time have to accommodate the diversities and centrifugal forces stemming from national structuring. In each policy field, governing Europe will be a constant struggle to achieve unity in diversity. Furthermore, not just policies but also the evolving governance institutions will reflect this struggle. Though institutional reforms and adaptations are supposed to respond above all to changing needs for efficient co-ordination, the response will never be just 'technical'. Not impartial political engineer-

⁵ This agenda has been written in view of the working programme of CONNEX, a research network focussed on 'Efficient and Democratic Governance in a Multi-level Europe', for more details see <http://www.connex-network.org>.

ing but bargains between interested parties and the reference to national institutional practice and principled beliefs will give them shape.

Therefore, efforts in comparative research should be intensified. Considering the diversity of national polities and societies in Europe, language barriers and disciplinary segregation, comparative research will certainly benefit from the recent EU research strategy which supports European wide research networks and integrated projects also in the social sciences.⁶ Comparative analysis should broaden our knowledge on the variations in institutions and patterns of governance but also on the diversities and communalities of core concepts relating to efficient and democratic governance. Though the conceptual foundations of democracy, accountability, and civil society are rooted in a long common history, the interpretations of what is constitutive for a well-functioning democracy vary considerably. The wider Europe presents an enormous diversity in national traditions of democratic thought. In order to project the future of European governance, it will be rewarding to identify common and distinct principles of democracy, to take account of the evolving debate on democracy in national and European discourses, and to reflect a possible European meaning of democracy. Input should come from normative theory and empirical-analytical research. The reflection on core concepts of democracy and their transposition to the multi-level, non-state system of the EU which lacks the glue of national identity and an integrated public sphere is far from trivial. Equally important is a thorough assessment of the ideational elite discourse and how it relates to mass public opinion on central democratic values and their relevance for European governance.

Civil society participation and deliberative democracy are two concepts that have gained wide recognition across Europe as promising alternative approaches to reconcile stake-holder orientation and problem-solving efficiency. Apart from theoretical scrutiny regarding the concepts' democratic standards, comparative research is needed. Based on existing empirical evidence it seems plausible to assume that contending policy frames are governing civil society involvement and that conceptual differences are not just marginal or attributable to the particular properties of a policy field. Part of the endeavor should be to develop theoretically and methodologically sound approaches to measure the democratic value added by civil society participation in European governance.

4.2 Exploring the potential for system change

Even when European governance so far has had little impact on national and trans-national political structuration, the issue is not irrelevant for two reasons. First, bearing in mind the long time horizon of institutional change, the EU only recently has gained political weight in terms of building up a considerable body of political

⁶ The 6th Framework Research Programme has given thematic priority to „Citizens and Governance in a Knowledge Based Society’. In the first call financial support was given to a ‘Network of Excellence’ (CONNEX on ‘Efficient and Democratic Governance in a Multi-level Europe’, coordinated at MZES, Mannheim University, see <http://www.connex-network.org>) and an ‘Integrated Project’ (NewGov on ‘New Modes of Governance’, coordinated at the Robert Schuman Centre/European University Institute, Florence, see <http://www.eu-newgov.org>). In response to following calls more thematic relevant research projects have been submitted and will receive EU funding.

regulation, spreading out to additional policy fields which are of particular interest to citizens like employment, consumer protection, health and safety and in terms of gaining competence in high politics such as justice and home affairs, foreign relations and defence. Second, it is an open question whether the entry of numerous transition countries will delay or speed up regional integration. They have gained sovereignty but experienced a fundamental restructuring of their societal, economic and political systems under EU guidance and, as a consequence, may become either more resistant or more open to further system change.

System change will mainly be set off by the institutional dynamics of the EU system. The close interaction between national and supra-national administrations is well researched and it is common knowledge that the organization of the decision-making process along functional lines – be it within the working groups of the Commission or the Council – accentuates the compartmentalization of the policy process at the national level. The way Union institutions are internally specialized is passed on to national institutions and fuels the decomposition of the national political system. Recently, we can witness a new phenomenon in institutional differentiation. The upgrading of the European Parliament has brought out institutional rivalries. The logic of inter-institutional negotiations is increasingly invading the policy process and transforming inter-governmental bargaining procedures. This draws attention to the potential of deliberate design of institutional reforms and the predictability of their structural outcomes.

European institutions are also eager to shape their institutional environment through administrative intervention. Part of the new governance programme of the Commission is a strengthening of civil society organisations. These, however, will only become transmission belts for change when they represent a constituency whose members habitually direct their demands and political support to the supra-national level. Constituency building is quite obviously on the agenda of EU institutions, above all of the Commission. It gives ideational input by creating focal points of transnational public discourse and gives organisational support. It is an empirical question whether the Commission manages to establish a consultation regime that will restructure the intermediary political space in the EU and that will spill-down to the member state level.

A possible restructuring not just of interest intermediation but also of political participation will depend on the evolution of civil society. It is a formidable research task to explore the potential of a Europeanisation of civil society for theoretical and empirical reasons. Civic engagement has been mostly explained with the concept of social capital, but hardly any theoretical work has been invested in linking social capital and Europeanisation. Furthermore, available research highlights the divergence both in concepts and social realities of civil society across Europe. The state of comparative analysis is still deficient and more systematic research will be needed to see similarities and variations and to better understand how they relate to specific context conditions and environments and have the potential to enhance European democracy. The formation of European constituencies and the Europeanisation of civil society will be a key research question in the years to come.

To conclude: European governance is intricately entangled with the process of European and national system integration. Exploring the prerequisites for good European governance always entails doing research on system building and the

driving forces of institutional change. A lot of theoretical work and comparative empirical research has still to be done.

List of references

- Bartolini, Stefano. 2004. *Restructuring Europe. Centre formation, system building and political structuring between the nation state and European Union*. Oxford: Oxford University Press (in print).
- Benz, Arthur. 2004. Path-Dependent Institutions and Strategic Veto Players: National Parliaments in the European Union. *West European Politics* 27 (5): 875-900.
- Conzelmann, Thomas and Michèle Knodt eds. 2002. *Regionales Europa - europäisierte Regionen. Mannheimer Jahrbuch für europäische Sozialforschung* (6). Frankfurt/Main: Campus-Verlag.
- Cowles, Maria Green, James Caporaso, and Thomas Risse eds. 2001. *Transforming Europe: Europeanization and Domestic Change*. Ithaca: Cornell University Press.
- Delhey, Jan. 2004. *European social integration: from convergence of countries to transnational relations between peoples*. Berlin: WZB.
- Egeberg, Morten. 2005. EU Institutions and the Transformation of European Level Politics. *Comparative European Politics* (forthcoming).
- Eising, Rainer, and Beate Kohler-Koch. 2005. Interessenpolitik im europäischen Mehrebenensystem. In *Interessenpolitik in Europa*, edited by Rainer Eising and Beate Kohler-Koch. Baden-Baden: Nomos, 11-75.
- European Commission. 2001. *White Paper on Governance*, COM (2001) 428. Brussels, 25.07.2001.
- Grande, Edgar. 1996. Das Paradox der Schwäche: Forschungspolitik und die Einflusslogik europäischer Politikverflechtung. In *Europäische Integration*, edited by Markus Jachtenfuchs and Beate Kohler-Koch. Opladen: Leske & Budrich, 373-399.
- Grote, Jürgen R., and Bernard Gbikpi eds. 2002. *Participatory Governance. Political and Societal Implications*. Opladen: Leske & Budrich.
- Hauriou, Maurice. 1965. *Die Theorie der Institution*. Berlin: Duncker Humblot.
- Héritier, Adrienne et al. 2001. *Differential Europe. The European Union Impact on National Policymaking*. Lanham: Rowman & Littlefield.
- Hirschman, A. O. 1970. *Exit, Voice, and Loyalty. Responses to Decline in Firms, Organizations, and States*. Cambridge: Harvard University Press.
- Imig, Doug, and Sidney Tarrow. 2001. Mapping the Europeanization of Contention: Evidence from a Quantitative Data Analysis. In *Contentious European. Protest and Politics in an Emerging Polity*, edited by Doug Imig and Sidney Tarrow. Lanham: Rowman & Littlefield.
- Jachtenfuchs, Markus, and Beate Kohler-Koch. 2003. Regieren und Institutionenbildung. In *Europäische Integration*, edited by Markus Jachtenfuchs and Beate Kohler-Koch (2). Opladen: Leske & Budrich, 11-46.
- Jachtenfuchs, Markus, and Beate Kohler-Koch. 2004. Governance and Institutional Development. In *European Integration Theory*, edited by Antje Wiener and Thomas Diez. Oxford: Oxford University Press, 97-115.
- Kerwer, Dieter. 2001. *Regulatory Reforms in Italy. A case study in Europeanisation*. Aldershot: Ashgate.
- Knill, Christoph. 2001. *The Europeanisation of National Administrations. Patterns of Institutional Change and Persistence*. Cambridge: Cambridge University Press.

- Knodt, Michèle. 2005. *Regieren im erweiterten Mehrebenensystem. Internationale Einbettung der EU in der WTO*. Baden-Baden: Nomos (in print).
- Kohler-Koch, Beate et al. 1998. *Interaktive Politik in Europa. Regionen im Netzwerk der Integration*. Opladen: Leske & Budrich.
- Kohler-Koch, Beate, and Jakob Edler. 1998. Ideendiskurs und Vergemeinschaftung: Erschließung transnationaler Räume durch europäisches Regieren. In *Regieren in entgrenzten Räumen*, edited by Beate Kohler-Koch. Politische Vierteljahresschrift (special issue 29). Opladen: Westdeutscher Verlag, 167-206.
- Mair, Peter. 2000. The Limited Impact of Europe on National Party Systems. *Western European Politics* 23 (4), 27-51.
- Marks, Gary, and Doug McAdam. 1996. Social Movements and the Changing Structure of Political Opportunity in the European Union. In *Governance in the European Union*, edited by Gary Marks. London: SAGE Publications, 95-120.
- Moravcsik, Andrew. 1999. A New Statecraft? Supranational Entrepreneurs and International Cooperation. *International Organization* 53 (2), 267-306.
- Olsen, Johan P. 2002a. Reforming European Institutions of Governance. *Journal of Common Market Studies* 40 (4), 581-602.
- Olsen, Johan P. 2002b. The Many Faces of Europeanization. *Journal of Common Market Studies* 40 (5), 921-952.
- Olsen, Johan P. 2003. Towards a European administrative space. *Journal of European Public Policy* 10 (4), 506-531.
- Olsen, Johan P. 2004. Unity, Diversity and Democratic Institutions: Lessons from the European Union. *Journal of Political Philosophy* 12 (4), 461-495.
- Rokkan, Stein, D. Urwin, F. H. Aerebrot, P. Malaba, and T. Sande. 1987. *Centre-Periphery Structures in Europe*. Frankfurt, New York: Campus Verlag.
- Ruiz Jiménez, Antonia M. et al. 2004. European and National Identities in EU's Old and New Member States: Ethnic, Civic, Instrumental and Symbolic Components. *European Integration online Papers (EIoP)* 8 (11), <http://eiop.or.at/eiop/texte/2004-011a.htm>.
- Shaw, Jo. 2000. *Law of the European Union* (3). Houndmills: Palgrave.
- Zeitlin, Jonathan. 2005. Conclusion: The Open Method of Coordination in Action: Theoretical Promise, Empirical Realities, Reform Strategy. In *The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies*, edited by Jonathan Zeitlin et al. P.I.E.-Peter Lang.

Annex

Research programme of CONNEX (1st working period)

'Efficient and Democratic Governance in a Multi-Level Europe'

RG 1

Institutional dynamics and the transformation of European politics

(Morten Egeberg, Oslo)

- 1) The role of EU executive bodies in relation to other institutions
- 2) The processes of executive change (Morten Egeberg, Oslo)
- 3) The adaptation of national executives to European integration: Mechanisms of change, e.g.: EU law enforcement, incentives, national institutional robustness.
- 4) The impact of institutional change at the national level: How does it affect policy processes and the coherence of national governments? (Ulf Sverdrup, Oslo)

RG 2

Democratic Governance and multi-level accountability (Deirdre Curtin, Utrecht)

- 1) Identifying Diversity and Communalities in the Meaning of Democracy and Accountability (Antje Wiener, Belfast)
- 2) One Democracy or Several? National Traditions of Democratic Thought (Heidrun Abromeit, Michael Stoiber, Darmstadt)
- 3) Accountability in multi-level governance systems (Arthur Benz, Hagen; Yannis Papadopoulos, Lausanne)
- 4) Democracy and Legitimacy Beyond the State: Experiences of International Organizations (Christopher Lord, Reading; Jan Wouters, Leuven)

RG 3

The citizens' perception of accountability (Michael Marsh, Dublin)

- 1) Citizens' perceptions of accountability: citizenship, representation and performance (Jacques Thomassen, Twente)
- 2) Assembling and Analysing Empirical Evidence on EU Political Parties and the EU Party System.
- 3) The Structure and Content of Political News in the Media of the EU Member Countries. (Hermann Schmitt, Mannheim)

RG 4

Civil society and interest representation in EU-Governance (Beate Kohler-Koch, Mannheim)

- 1) Interest Representation in European Policy Making: the state of the art (Rainer Eising, Hagen; Jan Beyers, Leiden)

- 2) The Reshaping of State-Society Relations through International and European Governance (Dirk DeBièvre and Andreas Dür, Mannheim)
- 3) Managing Interest Representation in the EU (Arunas Augustinaitis, Vilnius)
- 4) Contending Policy Frames Governing Civil Society Involvement in Comparative Perspective (Bruno Jobert, Grenoble)
- 5) EU-Society Relations and the Formation of a Multi-level Intermediary Political Space (Barbara Finke, Beate Kohler-Koch, Mannheim; Laura Cram, Strathclyde)
- 6) External Democratisation by the EU (Michèle Knodt, Darmstadt; Susan Stewart, Mannheim)

RG 5

Social capital as catalyst of civic engagement and quality of governance (Frane Adam, Ljubljana)

- 1) From National toward International Linkages? Civil Society and Multi-level Governance (Jan W. van Deth, Mannheim; William A. Maloney, Aberdeen)
- 2) Social Capital and Governance: Old and New EU members in Comparison (Frane Adam, Ljubljana)

RG 6

Modes and instruments of governance (Renaud Dehousse, Paris)

- 1) Interactive Methodology for Analysing Democratic Network Governance (Peter Bogason, Roskilde)
- 2) Soft Modes of Governance and the Private Sector (Klaus Dieter Wolf, Thomas Conzelmann, Darmstadt)
- 3) The open method of coordination (OMC) in the enlarged EU: dilutor of integration or guarant of subsidiarity? (Jörg Monar, Jim Rollo, Sussex)
- 4) Evolution of a polycentric administrative space (Sabino Cassese, Rome)
- 5) Accountability and credibility: Rules and delegation in Europe (Jacques Le Cacheux, Paris).