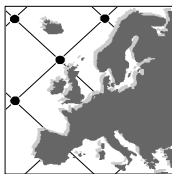


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**The European Union Facing Enlargement:
Still a System sui generis?**

Beate Kohler-Koch

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Editorial Note:

This paper was prepared for the 1996 ISA-JAIR Joint Convention Panel on „Comparative Regionalism - Asia, Europe and North America“.

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Dieses Papier wurde 1996 auf dem Panel „Comparative Regionalism - Asia, Europe and North America“ des ISA-JAIR Joint Convention vorgestellt.

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Ihre gegenwärtigen Schwerpunkte liegen im Bereich der Interessengruppenforschung und der Rolle von Regionen in der EU. Weiterhin arbeitet sie zur Theorie und Empirie im Bereich der Internationalen Politik.

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Abstract

The paper starts with the argument that in order to present the EU as a case in comparative regionalism a more inclusive understanding of regions has to be developed. When looking at region building as a social process of institutionalization we get a more encompassing understanding of the robustness of regionalism in different parts of the world and of the particularities of the European system. From this point of view it is not so much the outcome of the Intergovernmental Conference that counts but the political decisions and the daily practise of decentralized actors that shape the institutional set-up of the European multi-level system. Apart from theoretical reasoning empiric evidence from several not yet published research projects is presented to support the claim that the EU as a „social construct“ is firmly embedded in the ideas of political elites. The EU is, however, and will for a longer future stay a „Europe with states“ and though member states institutions are affected by the process of Europeanization, national and even regional policy styles and routines of interest intermediation and policy-making are very stubborn to change.

1 Summary: The *EU* in comparative perspective

Presenting the EU as a case in comparative regionalism is most of the time a very ethnocentric exercise: it starts from the (mainly implicit) assumption that regionalism is about building institutions for authoritative decision-making and that in this perspective the EU is a very unique case. Comparing it with other regions will then just prove that these other regions have not yet lived up to the European model.

In my paper I want to challenge this approach. I do not question the assumption that the EU is built on institutions and that regionalism in general has to do with institution building. But in contrast to the conventional approach I introduce a broader, a more inclusive understanding of regionalism, of institutions, and institution building.

I advocate strongly this broader approach because

- 1. it makes more sense in a comparative perspective on regionalism and*
- 2. it allows for a more accurate assessment of the actual strength of European regionalism.*

The dominant view equates regionalism with the formal organisation of inter-national cooperation. It adheres to a concept of institutions that concentrates on

- the formal constitution of new political actors,*
- the attributions of legal competences and financial resources to these actors,*
- the explicit rules and procedures for common decision-making.*

Institution building then is a matter of deliberate choice taken by sovereign actors.

Why has this approach been so dominant in the scholarly debate on the EU in recent years? In my assessment there are 3 reasons: 1. a political reason:

The deepening of (West)European integration since the mid 80's has stimulated the public political debate about how to reform the institutional set-up of the Community, and this has been at the core of the latest revision of Community treaties.

2. The state of integration theory: Theoretical thinking about the EU is still dominated by an international relations approach. The basic question IR-scholars raise is how a regional system of states may be transformed into a society of states" or even a political system in its own rights. Therefore, their attempt to explain what has happened in Europe in the last decade is about what consequences it has had for the autonomy of the state in Europe. Especially in the US it has revived the debate between „intergovernmentalists" and „neo-functionalists". Both camps have devoted all their energies on the argument whether integration has challenged the autonomy of the state or whether the member states continue to control the integration process and still dominate EU policies. Because of this very particular focus both sides have only looked at institution building as deliberate choice of a selected group of actors, be it governments only or Community agents supported by mighty economic actors that are jointly pressing reluctant governments to go along.

3. The predominant approach to politics: The international relations view has been so dominant because it is so much in line with the common understanding that politics is about power and conflict. If you share the view that the most pertinent question for any political scientist is: „ who will prevail in times of conflict?" then you have to ask the question: how does integration change the balance of power in terms of legal competences and assured resources.

I suggest a different view on regionalism and political institutions just because the most pertinent questions on top of my research agenda are different. I am interested in politics in terms of governing. I talk about „governing" and not „government" because the latter has the connotation of authoritative decisions taken at the top of a hierarchy. Even in established nation states, let alone systems of political cooperation like the EU, this is not the prevalent pattern of politics. Governing is rather about coordinating autonomous actors, agreeing on common actions on the basis of negotiations, and interest intermediation. It is about giving direction on how to meet challenges and succeed in problem solving.

Within such an understanding of politics a more encompassing concept of regionalism and institutions makes sense. The most pertinent question concerning regional integration then

is if the boundaries of the realm where effective and legitimate problem solving is supposed to take place have changed.

*A political region, as I see it, is a „socially constructed **territory**“ that has become the explicit and implicit legitimate space and point of reference for politics in daily practice.*

*A region is emerging when it becomes the privileged arena for consultation, cooperation and peaceful conflict resolution, and when its members share the propensity to give preference to **internal** commitments instead of responding to competing **external** arrangements.*

This understanding of regionalism is matched by a concept of institutions in the tradition of Max Weber institutions as a set of social regulations, incorporated in practices and rules that define appropriate behaviour. Institutions thrive on shared concepts just as well as on firmly established patterns of interaction.

Institutions of this type can not just be drawn up by a few architects and be created by contracts between state representatives. They are products of a social process, they are built up and maintained by decentralized actions taken by a multitude of actors - actions that most of the time are not even intentionally aimed at the design of particular institutions.

*My central argument is that regionalism should be looked at as the social process of institutionalization. Only with this kind of approach, I claim, will we get a solid assessment of the robustness of European regionalism and its particular properties as a system of **joined governing**.*

In order to prove my point, I start with elaborating those two competing concepts in the first part of my paper. I then put them to an empirical test:

*One chapter is devoted to the **Intergovernmental** Conference and the possible effects it will have on the development of the **EU**. In the following chapter empirical findings are presented to assess the cognitive and structural underpinnings of Europe as a political region.*

The lessons I draw from this exercise are twofold and they refer to methodology and to substance, as well.

*From the methodological point of view it would not do justice to the **contractarian** approach of institution building just to look at the **IGC**. This **IGC** certainly is not a situation of discriminate choice and it has to be analysed in context. The hidden agenda is far more important than the official agenda of the **IGC**. The choice governments have to face are **contigent**, and negotiating positions are formulated under constraints. In order to understand what is going on and to project the outcome, the observer has to take into account*

a. the institutional constraints,

b. the problem structure of the policy choices,

*c. the path dependency of institutional **reforms**.*

*In substance, the lesson is that national interest positions have to be understood in the broader context of the future enlargement, of the Monetary Union and of financial agreements. The political agenda as such is not disputed. Conflicts do arise because policy choices ahead **from** a „magic square“: Optimizing one objective will produce sub-optimal consequences for the other. Enlargement is perceived as a necessity for stability at the Central-East periphery. The enormous budgetary requirements of such a step will primarily harm the member states of the Southern and North-Western periphery in terms of declining revenues or even increased contributions to the Community budget. Without transfer payments cohesion will be lacking and spill-back will be more likely than any deepening of the market, not to talk about the political integration. This may be to the liking of the United Kingdom, but certainly not in the interest of those highly industrialized member states that consider EMU a stepping stone for global competitiveness. In addition, the Benelux countries and France always aimed at deepening European integration to absorb the dominant position of Germany. And even the UK will be opposed to a „**core**“ outside its sphere of influence.*

*In this perspective „patchwork Europe“ (**Gstöhl** 1995) is ahead. All we can tell is that there are limits to further spill-over and few but strong forces for a considerable spill back. Not by chance are there so many scenarios for a **mosaique** of many Communities. When we include in our analysis the particular procedures and the setting of the „**institution-building from above**“ we can be more precise. The agenda of the **IGC** is a deliberate act of splitting the agenda in order to make it possible to come to an agreement. All participants have committed themselves repeatedly in public to make the Conference a success. The short time interest in avoiding failure is most pressing. It will be linked with other, more individual short time interests. This particular mix will have as its most likely outcome a small, but definite improvement of the **EU's** institutions.*

*That means looking at the future of the **EU** as a process of decentralized institution-building to shift from a top-down to a bottom-up approach. The **empirical** evidence I present in my paper is based on my own research. At first sight in **terms** of*

cognitive concepts and intermediary structures, the *EU* looks like a pretty stable enterprise: There is an enduring diffuse support among the general public, a widely shared belief system that defines the *EU* as the appropriate unit of the policy process and that gives support to guiding principles of the „European project" like the supremacy of law and market allocation, welfare based on competitiveness, effective problem solving achieved through *public-private* partnership, and *co-operative* governance.

The conceptual redefinition of the boundaries of the relevant polity is matched by the territorial reach of the political infrastructure. Actors at national and *subnational* levels have established direct links to Community agents and built up a boundary spanning system of interest representation. Policy networks have been extended to the *supra-national* level and are of a *transnational* character. Community governance is *firmly* based on the rule of law with decentralized enforcement. Last but not least,

resources offered by the Community have been used by different actors within the member-states to enact new roles and to change *patterns* of compliance.

The picture, however, does not look as uniform as just presented when you take a closer look at the data. Our data reveal competing or at least multiple allegiances and cleavage lines across Europe. First of all it is quite evident that the *EU* is not seen and will not become a substitute for the state, the *EU* will stay a „Europe with states". The „elephant" rather looks like an octopus.

States are here to stay, but the polity of the European state has been transformed in a way that undermines *its raison d'être*. What is most important: it can no longer assure a national welfare system. The *EU* itself is and will stay a „market without a state". The legitimacy of European *governance* will be questioned not because of lacking *competences* of the *EP* but because of the structural incompetence to keep the European welfare state alive.

To project how these tensions might develop it is helpful to look at the cleavage lines presented by our data. There is a horizontal divide and a *North-South* divide. The „European project" is a matter of the social elite in cognitive terms and in terms of social, political and economic activities as well. There is a gap which certainly will not be bridged by all those frantic activities of the present *IGC* to „bring Europe closer to the people" '.

The North-South divide relates to what the „European project" should be about. The South begins at Calais and being attached to different views is not determined by economic strength or profits to be drawn from the *EU* but they are deeply entrenched in different traditions of state-society relations.

In view of these dividing lines we can project that any further enlargement will make our octopus grow bigger but also weaker. The emergence of some core Europe" is most likely because it meets functional needs and because top decision makers in Europe are so deeply

entrenched in cognitive terms in the European project that they have no difficulties deciding along functional lines. But they will be held accountable by a public that has different notions about who are „we the Europeans" and what the „European model" should look like. Delegitimation and crisis are ahead if Europe moves too fast and only responds to the functional logic.

When summarizing these findings it becomes quite evident that we lack empirical evidence; and that, in particular, we miss systematic comparative research.

In addition, and this makes matters even worse we lack theory: all we know is that the cognitive and normative dimensions matter but how relevant are concepts about the „legitimate space" and form of politics and the shape of „good government"? And how do such concepts get transferred into the organisation of politics?

A region is a social construct, it is a realm of dense interrelations and it is an organisation of international cooperation. In order to understand the future of regionalism better we have to know more about how these components relate to each other and how they match in a dynamic process.

2 Introductory remarks

Presenting the European case in a study on comparative regionalism, it is not self-evident to focus just on the European Union (EU). The geographic space of Europe is covered by a dense web of regional organisations. The EU is only part of the picture and has to be put in the broader perspective of regional cooperation in Europe.

Therefore, I will first have to present my arguments for choosing an apparently reductionist approach. Rather than basing them on the political importance of the EU, I will justify my approach on epistemological grounds. My main hypothesis is that two approaches have to be combined, in order to understand the dynamics of international regionalism and to come to a well-founded assessment of the probable development of a particular regional system. One is the typical international relations perspective on institution building: The organisation of international co-operation is the product of intergovernmental bargains. Institution building is a matter of deliberate choice taken by sovereign actors. The competing approach is that international regionalism is a matter of system building that can be understood best as a process of institutionalization. International regions will thrive or fall apart as the intended or unintended consequence of decentralized decisions taken by a multitude of actors. It is a theoretical challenge to understand what makes those actions converge in a way either to support the robustness of institutions or to make them dwindle.

3. Regional co-operation in Europe

In comparative regionalism it is quite common to refer only to the European Union (EU) when talking about regionalism in Europe. It would be misleading, however, to equalize the EU with European regionalism. Up to the

present it is only embracing the countries of Western Europe. And though it covers a broad range of functional activities, it is absent in some policy areas and in others it is secondary to more powerful organisations. The Council of Europe still is the most prominent organisation when it comes to the protection of human rights, the advancement of civil liberties and democratic organisation, the promotion of cultural cooperation and the protection of European cultural heritage. The (United Nations) Economic Commission for Europe (ECE) has a long standing tradition in organising economic and technical co-operation throughout Europe. In security and defence, a rather new domain for the EU, the North Atlantic Treaty Organisation (NATO) has remained at the centre of (Western) Europe's defence arrangements. The Conference on Security and Co-Operation in Europe, which was designed for inter-systemic relations, did not wither away with the break down of the communist system but was strengthened in terms of enlarged competences and organisational structure (OSCE) to become a complementary pillar of the European security system. In addition, the Western European Union (WEU) has been revitalized. Though closely linked to the Common Foreign and Security Policy (CFSP) it is not (yet) an integral part of the EU as envisaged in the Treaty of Maastricht.

To sum it up: Even without counting the numerous highly technical functional organisations like those for research co-operation (EUREKA, CERN, ESA), sub-national regional co-operation (ARGE, etc), transport and communication (like CEPT, ECAC, EUTELSAT), regional co-operation in Europe is organized beyond and apart from the EU, sometimes overlapping in membership and domain like the BENELUX Union or the Nordic Council, sometimes competing like the original European Free Trade Association (EFTA) or just living apart like the Baltic Council.

Facing such a multiplicity of regional organisations concentrating just on the EU when analysing regionalism in Europe has to be justified. Two reasons may be given. One is of a political nature: The EU certainly is the most vigorous and outstanding organisation in European co-operation. It is a centre of attraction which has enlarged from originally six member states to now fifteen members with twelve more applicants wanting to join. And despite all critical comments on the obsolescence of neo-functionalism and spill-over, the once limited domain of market integration has been widened to cover a vast scope of political activities. Irrespective of the success or failure of further integration steps, the fate of the EU will shape the whole system of European regionalism.

How the EU is shaping the development of regionalism in Europe is a political question of utmost importance. Nevertheless, I will not enter into that very broad topic. My concern is to analyse the EU as an embodiment of regionalism.

The EU is first of all an international organisation - or rather a construction of three discernible organisations, i.e. the so-called three pillars. In what sense can and should the EU be equated with regionalism?

4. Regionalism: pinning down an elusive concept

"Regionalism" is an elusive concept. As Hurrell has reminded us recently: "Both 'region' and 'regionalism' are ambiguous terms. The terrain is contested and the debate on definitions has produced little consensus." (Hurrell 1995:333) Regionalism has emerged in a high degree of variation. Though it might be a growing, some claim an even universal trend, it has developed into a multifarious phenomenon. It is up to now often little more than a

uniform label on very distinct ways, means and objectives of "joining together". There is a great variety in functional differentiation, and even in the restricted perspective of economic regions - which is researched best - no uniform pattern of regionalism can be found. All in all there is a confusing diversity and it is not easy to find some general criteria to reduce that complexity. I do agree that in the international relations literature "...attempts to define and delineate regions 'scientifically' produced little clear result." (ibid) Apart from the multifacet picture of reality this is no surprise because the understanding of regions and regionalism varies according to the question under investigation and the theoretical approach chosen. Taking into account not only the international relations debate but also the comparative analysis of regionalism at the sub-national level (Gerdes 1985; Jones/Keating 1995; Keating 1988), two characteristic properties are considered to be at the core of any understanding of "region" and "regionalism": "territoriality" and "cohesion". In other words, regionalism is about the emergence of a system within more or less clearly outlined geographical limits; a region is a space which is distinct from others due to a higher degree of cohesiveness which promotes unity in diversity.

To analyse the EU in the perspective of comparative regionalism is to ask the question in what way and to what extent setting up a common market and an organisation for joint decision-making has turned a geographical area into a "region". A "region" in this sense would be more than just the space covered by the member states, a district where Community law is in force, where capital, goods, services and people are free to move. It must have become affected by "territoriality", that is, "... an historically sensitive use of space", which is "socially constructed and depends on who is controlling whom and why." (Sack 1986:3)¹ Only when it has become an implicit point of reference in daily practise, a particular space has acquired the quality of a territory. A region may be above all an economic territory or a social and legal territory. From an open space of economic activities a market may evolve where distinct rules concerning market entry, rules of behaviour, terms of exchange, etc. are prevalent. They contribute to the evolution of a particular economic structure and a self perpetuating division of labour. A "regional economy", comparable to what we have been used to think about as a "national economy" has certainly emerged in Western Europe. The same holds true for the European Community as a social and legal region. Not only have the supremacy and the binding character of EC-law been accepted. The Community has established a multitude of regional regimes and produced a high level of legal harmonization and standardization. European integration is integration through law. It may be called correctly "a market without a state" (Kapteyn 1993), but it certainly is a community of law.

In the case of the European Union we have a deliberate political programme to establish such a new economic and legal "territory" and an organisation which was set up just to pursue this aim. Though this proved to be a very helpfull provision, it is not a necessary one. Even before Austria entered the Community, it has been part of a particular economic region together with Germany and Switzerland, just like other economic regions persisted despite becoming members in competing economic associations². Apart from these findings, there is strong historic

¹ From my point of view Sack puts too much emphasis in his definition of territoriality on the aspect of "control" and too little on social interaction in space and the meaning given to that space.

² A cluster analysis of trade relations among countries in Western Europe gives strong evidence that even before the latest enlargement of the EC, the countries of the Common Market and those of the EFTA did not form separate groups. On the contrary, there are strong clusters overlapping

evidence that the trends in economic regionalization are "...primarily the result of comparatively durable geographic, cultural and economic determinants and only to a lesser extent the result of more recent, regionally confined measures of integration policy." (Sautter 1983 quoted in Lorenz 1991: 4)

In political terms a region is emerging when it becomes the privileged arena for consultation, cooperation and peaceful conflict resolution and when its members share a propensity to give preference to internal commitments instead of responding to competing international arrangements. Such attitudes, again, may be supported by formal institutional arrangements, but they may very well come about within the framework of more encompassing organisations or without the support of any such institution.

Quite another level of integration is reached when a region gets transformed into a corporate actor. This implies not only the capacity to take decisions as a group, which may be implemented concurrently, but also the capacity for common action. Members will cease to be wholly sovereign as they have to accept binding commitments with regard to their exercise of political power. This invokes a system transformation from regional association to a supra-national entity which, nevertheless, will not be synonymous with a state.

Starting from the assumption that regions as political entities³ are "socially constructed" it goes without saying that they are as much an "imagined community" (Anderson 1991) as they are political institutions. They embrace both: the formal organisation of politics and regimes of political action. Regional (international) organisations rest on formal agreements defining the way joint decisions will come about and how they will come into force. Any such organisation embodies one or several international regimes, i.e. principles, norms, rules and procedures governing actors in selected issue areas.

The European Union is an emergent political community and it is a political system. There is a shared understanding of the benefits of joining forces for common problem-solving and mutual trust in an overall common outlook. The boundaries of this political community are blurred. They stretch beyond the limits of the EU and in some respects like mutual trust (Niedermayer 1995) and societal norms (Hofstede 1996) dividing lines cut across the EU. The boundaries of the EU as a political system are far more clear-cut. Though it is open to future enlargements, its present geographical limits are unequivocal. Cohesiveness is another matter. It is contingent on the evolution of its political institutions. Treaty agreements on the transfer of competences to Union bodies, on decision-making procedures and rules concerning policy implementation are only part of the picture. The EU is like any political system shaped by practices and concepts of governing that may be quite deviant from the formal organisation of politics written into the treaties. The principles, norms and rules of co-operation around which actors' perceptions converge are of utmost importance for the evolution of political institutions. Therefore, I would argue that the construction of regions is about institution-building not only in the sense of setting up the organisational framework of joint policy-making but also in the sense of the emergence of institutions as the coming about of shared concepts of appropriate ways and means of joint action. Starting from such an understanding the two different approaches to explain institution-building should be tested: (1) The constitution of political agents, the

the border lines between both organizations or forming strongholds within those areas like in the case of the Benelux-countries and Spain and Portugal. (Borrmann et.al.1995:22).

³ Being a political scientist I should concentrate only on this aspect of regionalism and I will not cover economic regionalism, historic or ethnic territories.

attribution of power and responsibilities to those agents, the establishment of rules and procedures for taking authoritative decisions by formal agreement. (2) The emergence of institutions as a set of governing principles, rules and practices accepted as legitimate and adequate which will come about by decentralized action.⁴

The first approach has been dominant in recent years in the scholarly debate on the EU. One reason is that the deepening of (West)European integration since the mid 80's has entailed the question about how to reform the institutional set-up of the Community. Institutional reform has been at the core of the latest revision of Community treaties. Because it was negotiated in the intergovernmental conferences and driven by bargains between member states, many investigations have only focused on the output of these negotiations. Another reason is that integration theory is still dominated by an international relations approach. Explaining the "rélance européenne" has revived the debate about the nature of community building and the consequences for the autonomy of the state in Europe. Especially in the US it is a debate between "intergovernmentalists" and "neo-functionalists". Both camps have concentrated all their energies on the argument whether integration has challenged the autonomy of the state, weakened its authoritative control over national citizens and established a supra-national authority acting in its own rights (Sandholtz/Zysman 1989; Burley/Mattli 1993; Wincott 1995a) or whether the member states continue to control the integration process and dominate EU policies (Moravcsik 1991; 1993; 1994; 1995; Milward 1992; Garrett/Lange 1995). Because of this very particular focus⁵ both sides have only looked at institution building as deliberate choice of a selected group of actors, be it governments only or Community agents supported by mighty economic actors that are jointly pressing reluctant governments to go along.

I suggested that a different view on institutions and institutional change has to be taken⁶. If one takes the perspective of institution building as the social process of institutionalization, questions of origin, maintenance and change of institutions have to be put in a different way. Intentional design by a selected group of architects, i.e. member states and the Commission in an intergovernmental conference is only part of the picture. The emergence of institutions may as well be conceptualized as the coming about of a "spontaneous order" (Hayek 1967). The argument is that institutions are the unintended consequence of individual action and a process of social selection. Even if one discards the assumption of unintended action, a decentralized approach to institution building has to tackle the question how individual institutional preferences will become socially acceptable. Recent accounts rely on the logic of market selection, in particular those employing the theory of transaction cost (Coase 1960; see Williamson 1975; North 1990): "Individual economic actors seek to order their exchanges to minimize the costs of these transactions. For these private orderings to become institutionalized of the community as a whole, there must be some means of generalizing them. Here, the competitive pressure of the market comes into play, selecting those

⁴ I am well aware that I have for the sake of a more parsimonious approach mixed two different dimensions which in a more elaborate analysis should be kept separate: (1) the understanding of institution as (a) the formal organization of politics and (b) the shared rules and practices on the one hand and on the other (2) the different concepts of institution-building as (a) intentional design and (b) process of institutionalization.

⁵ A different view is taken by Marks/Hooghe/Blank 1995 arguing that the state-centric view should be substituted by a multi-level governance approach and by Caporaso 1996 using Cox' concept of "forms of state".

⁶ For a more elaborate presentation of this concept see my (forthcoming) report on a comparative research project on regions in the EU, Kohler-Koch 1997; also Kohler-Koch 1996d.

orderings that are best at minimizing costs" (Knight/Sened 1995: 4). However, as North (1995: 23) has pointed out, political markets are prone to inefficiency because it is far more difficult to measure what is being exchanged and because the selection process does not function in a way as conceptualized by rational choice models. Therefore, I should like to depart from the assumption that it is by the competitive forces of the market that institutional selection takes place. I would rather like to look at those processes that make institutions socially accepted. The competitive pressure of the market may contribute to select institutions according to transaction-cost efficiency. But how do we explain that just this criteria of low-cost transaction is considered to be legitimate?

To answer this question one has to take a closer look to the social construction of what constitutes an "exemplary" and "appropriate" political order. It is the process by which particular principles and norms of action and ensuing criteria of rational behaviour (Lepsius 1995) become embedded in institutions. This kind of institution-building is contingent on existing institutions, be they on the international or the national level. Guiding concepts ("Leitbilder") and matching criteria of rationality have had a considerable impact on European integration (Schneider 1977; 1986). At the beginning it was the dedication to build a Community "with limited authority, but real powers" (Robert Schuman), to establish a "working peace system" (David Mitrany) based on economic and social welfare which would be brought about by a common market. Integration was to take place by opening markets and ensuring the free movement of goods, services, capital and labour. Because guiding principles and the rationale of appropriate behaviour are "context specific", a changing context will put their validity into question. Therefore, with the completion of the customs union and later with the expansion of the integration objective from Common Market to Economic and Monetary Union and a Common Foreign and Security Policy, the guiding principles and criteria of rational behaviour shifted.

This shift has been codified in treaty revisions. In order to understand how it came about and what impact it will have on the further evolution of integration, it is not sufficient just to investigate what happened during the treaty negotiations. To come to a common definition of the challenges to be met by regional co-operation and agreeing upon compatible strategies is - at first view - a matter of matching interests. These interests are reconcilable because interest definition rests on shared belief systems and established practices of working together. This is the cement which gives the EU stability.

In view of imminent developments of the EU such an assessment is of particular relevance. It implies that analysing current trends of European integration should not only focus on the on-going negotiations and on whether the reforms agreed upon during the Intergovernmental Conference will meet the challenges ahead and strike a balance between competing interests. Research should rather concentrate on how firmly the EU as a particular concept of regional co-operation is embedded in daily practice and accepted as an appropriate way of dealing with politics in an era of globalization. The question most central in such an investigation is whether the EU is about to become a political space embracing shared belief systems and a boundary spanning the organisation of politics.

5. Decisive years ahead

5.1. The EU at the crossroad?

There is little agreement on what the EU will be like at the turn of the millenium. Though this magic date is only a few years ahead, there are different projections as to which members it is going to embrace and what role it will play within the region and in world affairs. Nobody is anticipating any dramatic exogenous shock that might turn the future of the EU. It is rather the dynamics of integration, which after a decade of slow growth has gathered momentum again. In the mid 80s the member states agreed to renew their efforts to finally complete the Common Market. Since then the founding treaties have been revised twice, the range of Community competences has been widened, and apart from the firm commitment to build a European Community (EC) and a Monetary Union, two pillars have been added to support the common edifice: the Common Foreign and Security Policy (CFSP) and the cooperation of EC member states in Justice and Home Affairs (JHA). In addition, the EC enlarged its economic domain by establishing a wider free trade area (the European Economic Area, EEA) and concluding the association agreements with nine Central and East European Countries (CEEC). After the Southern enlargement had been consummated by the mid 80s (Greece joined in 1981, Portugal and Spain in 1986) three more members joined the EU in 1995 (Austria, Finland, Sweden). At present, an Intergovernmental Conference (IGC) is about to review certain aspects of the last treaty revisions to improve the functioning of the Union's institutions, bringing it closer to the European citizen and endowing the EU with a greater capacity for external action. After its completion, the IGC will be followed by negotiations with applicant countries to open yet another round of enlargement.

Why is there any uncertainty about the future shape of the EU? After all, commitments and time tables are fixed: There is a solemn pledge of member states and Community organs to go ahead with the Monetary Union and to be open for new members. With the Single European Act (SEA, 1987) and the Maastricht Treaty (TEU, 1993) the Community has put on weight: The scope of common policies was extended to enable the Community to engage in a pro-active policy to shape living conditions. The Community is still focused on economic issues, above all on ensuring the functioning of the single European market and strenghtening the competitiveness of the European economy. Competing objectives, however, have been introduced: regional and structural policies are not just aimed at strenghtening less favoured areas so that they will not obstruct the functioning of the single market. Economic and social cohesion has rather become a political objective in its own right as it is true for environmental and consumer protection. There is a notable change from market to political community building. The best evidence for that qualitative transformation is that the revised Treaty on Economic Community (TEC) goes beyond stipulating the free movement of labour. Provisions have been introduced to establish a "Citizenship of the Union" granting special rights and protection to all member state citizens. Furthermore, with widening the scope for majority vote in the Council and conferring co-legislative powers - though only in a few policy issues - on the European Parliament (EP) decision-making in the EC has become more efficient and accountable. Thus the European project looks more vigorous than ever before.

Notwithstanding this positive evaluation of the present state of affairs, many observers hold the view that the EU is at a cross-road. Decisions ahead have to square a circle. Even if the preferences of all participants would concur, there are not optimal solutions. For the sake of democratic progress and long-term economic and social stability the EU member states agreed to the future accession of the Middle East European countries. Enlargement, however,

will contribute to make the Union even more heterogeneous and may turn out to be a stumbling stone on the way to deepen economic and monetary integration. But strengthening the Single Market and realizing the Monetary Union is a main objective and is considered a necessary step to assure European competitiveness under the pressures of globalization. The challenges of world affairs have also motivated EU countries to join forces in foreign and security policy. Those partners most needed to give the EU a voice in international politics, i.e. countries with a long standing tradition of an autonomous foreign policy, considerable economic and military strength, and enhanced international status being members of the UN security council, are unfortunately neither the ones most willing to give up part of their national sovereignty nor are all of them likely to become core members of the Economic Community, i.e. participants of the Monetary Union. Therefore, in international relations it looks most attractive to have an encompassing Union, though this may entail a less integrated form of co-operation. In view of the public demand for responsive and responsible government, however, any attempts to reform Community institutions to make common policy-making more democratic and more efficient will promote the Union to a higher level of supra-nationalism.

How to balance out these competing objectives is still in question. "Flexibility" is the new catch-word which suggests that there might be a way of reconciling enlarging and deepening the EU, ensuring democratic accountability and not encroaching too far on national sovereignty. Different scenarios (Wallace/Wallace 1995) are offered to predict the coming future ranging from building a supra-national core Europe as the focus of a Community of concentric circles to a revitalization of nation states that will choose regional co-operation "à la carte". What is considered to be the most likely outcome depends on the assessment of "national interests" and the bargaining power of member states. The predominant approach is that institution building will be done by contract between central players. The opposite view is evidently in a minority position: it is focusing on the development of institutions in a given texture through the adaption of concepts and practices of trans-national co-operation and networking.

In the following two chapters I will try to outline which part of reality comes into view depending on the perspective chosen. In the next chapter I will deal with the on-going Intergovernmental Conference (IGC) including its "hidden agenda". The succeeding chapter will then take a look at the "texture" of EU regionalism.

5.2. The IGC's agenda

The present Intergovernmental Conference (IGC) was agreed upon already in the European Union Treaty (EUT) to review certain aspects of that Treaty. The agenda of the Conference reflects what the member-governments consider to be "unfinished business" responding to "today's realities and tomorrow's requirements" (Draft Mandate for the 1996 Intergovernmental Conference). One of these "realities" is a rising scepticism of the European public about the benefits of the EU and its aloofness from public control. It proved to be difficult to get a positive vote on the EU-Treaty⁷ and public opinion surveys (Eurobarometer) indicate some wavering in the diffuse support for "Europe". This drove the message home to member-state governments that it should be the main objective of the IGC to bring the European Union closer to its citizens. No one was eager to put bold new initiatives on the agenda.

⁷ The referendum in France was accepted by a small majority and in Denmark the government had to renegotiate to get a positive vote in a second try.

Even the European Parliament (EP) and the Commission did not ask for more than incremental changes despite their vested interest in promoting integration.

Another aspect of today's realities is the growing dissatisfaction with the inefficiencies of EU policy-making. Therefore, member states agreed on a reappraisal of the Treaty in the light of the recent experience with the institutional innovations of Maastricht. The objective is to enable the Union to function better, that is to improve its ability to deliver key decisions and to increase its democratic accountability. There is a broad consensus that these reforms have to be made in the view of "tomorrow's requirements": an enlarged Union that will still function with the proposed 27⁸ members. Endowing the EU with a "strengthened capacity for external action" is the third main topic on the agenda of the IGC (Turin 1996). Facing external turmoil, member governments consider it as an imperative to develop an EU "identity" in foreign affairs, security and defence.

Notwithstanding these unequivocal commitments, the IGC's agenda set up by the European Council in Turin is a document of political incrementalism. And in the first round of the discussions the member states have taken an even more cautious line. The appeal to high principles in the Turin declarations has been broken down into limited initiatives and despite a broad consensus on general lines, even these cautious initiatives meet with resistance. A good example is the field of Human Rights. There is a broad consensus that it should be possible to suspend rights and advantages of EU-membership when a member state is repeatedly and deliberately violating Human Rights, or ceasing to be democratic. Participants, however, differ when it comes to the delicate question how to implement such a rule and if sanctions should embrace the expulsion of a member state.

- *"A Union closer to its citizens"*⁹

The difficulty to translate general statements into more substantial commitments is particularly conspicuous with regard to the chapter on "bringing the Union closer to its citizens". The pledge to strengthen European citizenship is cushioned by acknowledging that this should be done "while respecting the national identity and traditions of the Member States" (Florence 1996). Other issues relating to the Union's "imperative duty to respond concretely to (the citizen's) needs and concerns" (Turin 1996) will therefore only be met with "declarations of intent".

In view of the high public attention paid to the exorbitant level of unemployment - for European standards at least - everyone was in favour that there should be a reference in the Treaty. But it proves difficult to agree on the exact phrasing: should the objective be a "high level of employment" or "full employment"? How should the concern of the Union be expressed when the ultimate responsibility to fight unemployment will rest on member state governments and no new budgetary resources will be allotted to the EU. Concerning the environment, the plea for a more unequivocal commitment in the Treaty to secure sustainable development meets little resistance. However, a majority wants to maintain unanimity in central environmental decisions, especially when they are touching on taxation. Respecting subsidiarity and providing "transparency and openness in the Union's work" (Florence 1996) are other issues in which member-governments find it easy to agree on committing themselves "en principe". To

⁸ The new applicants include: Malta, Cyprus, Poland, Hungary, The Czech Republic, Slovakia, Bulgaria, Romania, Latvia, Lithuania, Estonia and Slovenia. Though Turkey has submitted its application long ago, it does not figure in the official enumerations.

⁹ The headlines are quotes from the Turin (1996) declaration of the European Council.

translate these principles into concrete norms and rules proves to be difficult. Therefore, article 3 b of the EUT on subsidiarity will most probably be left as it is and be supplemented by another one on introducing the principle of transparency.

Meeting the citizen's need for security is one of the aims which will be met by more concrete measures. In the European Council's opinion the exercise of the right of free movement has to be accompanied by adequate protection (Turin 1996). The member state governments are dedicated to improve "substantially the means and instruments against terrorism, organized crime and drug trafficking" (Florence 1996). In order to develop coherent and effective asylum, immigration and visa policies, a large majority in the European Council is in favour of transferring these from the "third pillar" (JHA) to the EC domain. This is considered to be the most efficient approach to establish "a common judicial area". Ambitions to strengthen control of the EU's external frontiers by bringing the Schengen agreement into the framework of Community policies, however, meet with great reservations.

- "The institutions in a more democratic and efficient Union"

The declaration of the European Council in Turin stressed "the need to look for the best means to ensure that they (i.e. the EU's institutions) function with greater efficiency, coherence and legitimacy". This aim is hardly met by the items on the IGC's agenda. The discussion picked up where the preparatory talks in the "Reflection Group" had finished. Preference is put on greater efficiency: Strengthening the Council's capacity to take decisions by extending the scope of (qualified) majority voting, reinforcing the Commission, simplifying the procedures of inter-institutional co-operation. Keeping in mind that the IGC is composed of representatives of national governments it is surprising that there is such a broad support for applying qualified majority voting even to all ordinary legislation. This way the European Community would further encroach on member states' sovereignty and become more supranational in character. However, most representatives list certain exceptions. As these do not coincide with the sensitive items of other member states, at the end, the cumulative list of exceptions may result in no change at all. With one exception, member states also agree on an extension of the codecision procedure giving the European Parliament a greater say in Community legislation. Yet there is disagreement about how far the extension should go.

- "A strengthened capacity for external action of the Union"

All member state governments are dedicated to the idea that in view of the international situation the EU's political weight ought to be "commensurate" with its economic strength (Turin 1996). The need to strengthen the EU's identity in international relations and its capacity to act has been translated so far into proposals for a "studies and analysis unit", a "Mr. (or Mrs.) Europe/CFSP" to give the EU's foreign policy a more perceptible face and voice, and a reform of decision-taking procedures. Almost all member states agree on the benefits of a research unit. But it will be difficult to find a compromise on its location and staffing. "Mr. Europe" is an even more divisive issue even for those who are in favour. Just as it is the case with the studies and analysis unit there are divergent views on the powers transferred to such an institution, on the role he or she is to play, the link to existing Community bodies and the control to be exerted by member states. The European Commission and the European Parliament agree that new institutions should not inflict on existing ones. National foreign ministries are afraid of a further loss in power,

status and prestige. Small countries are ambivalent not knowing if it might enhance their influence or if they run the risk of being excluded.

On matters of security and defence positions have evolved considerably. Some of the non-member states of the Western European Union (WEU) and the UK are still hesitant to have the WEU absorbed by the EU. Nevertheless, all of them are open to participating in peace-keeping, humanitarian and rescue operations as envisaged in the Petersberg Agreement.

How to come to a fair judgement on the possible outcome of the IGC and the effect that it will have on the future of European regionalism? Consistent with the "contractarian" approach of deliberate and centralized institution building is

- (a) a reflection of the institutional embeddedness of the on-going negotiations;
- (b) a comparative analysis of national positions which will determine the constellation of (conflicting) interests at the negotiating table;
- (c) a look at "driving forces", be they external pressures or "functional necessities" to which actors will have to respond, be they internal (public) demands or influence exerted by powerful domestic actors.

- The setting of the IGC

The present IGC is compared to the five previous IGC's¹⁰ different in so far as it has a stronger "Communitarian" character. All member states presented their views in - more or less official¹¹ - position papers, supplemented by joint declarations of the Benelux Countries, the Nordic Countries¹² and two bilateral French-German declarations. In addition, a "Reflection Group" was established to draw up an agenda and sort out what topics should be included besides those prescribed for review in the Maastricht Treaty. This Reflection Group that elaborated its report in regular meetings from June to December 1995¹³ was not only composed of representatives of every member state. A member of the Commission and two representatives of the European Parliament participated as well. All EU organs and bodies had been invited and presented their own reports on the workings of the Maastricht Treaty and their view on the future development of the EU.¹⁴ In the regularly monthly meetings of the IGC negotiating group and of the EU foreign ministers, which were initiated in late March 1996 and will continue for about one year, the Commission is present but not the Parliament. French and British opposition prevented the EP from having an observer's seat at the negotiating table. The European Council in Turin then adopted a compromise concerning the Parliament's involvement in the IGC. Regular meetings will take place with the President and the two special

¹⁰ Three IGC's were convened in the 1950s resulting in the Treaties establishing the European Coal and Steel Community (1950-51), the European Economic Community, and the European Atomic Energy Community (1955-57). The two former IGCs that were convened for treaty revision resulted in the Single European Act (1985) and in the Treaty on European Union signed in Maastricht (1990-91).

¹¹ In the French case there is no white paper or official government report but programmatic declarations of the Prime Minister and the Minister of Foreign Affairs.

¹² In a report of the Nordic Council Conference.

¹³ "A Strategy for Europe". Final Report from the Chairman of the Reflection Group on the 1996 IGC; December 5, 1995.

¹⁴ A compilation of the official texts of the EU institutions has been edited by the European Parliament 1996.

representatives of the EP for a detailed exchange of views. Furthermore, the European Council committed itself to regularly provide additional information to make sure that the EP is closely associated with the work of the Conference.

*- Negotiating positions*¹⁵

Comparing the present IGC to the last two conferences on treaty revision the level of consensus is striking. Not only that all parties take a pragmatic approach they all - with one exception, i.e. the UK government - support a "status quo plus". There is hardly any inclination to start a discussion on fundamental issues. Everyone seems to be content with incrementalism and even Members of Parliament do not deplore this state of mind, they rather interpret it as an indication of how far European integration has moved already.

For the first half year the IGC still has been in the stage of preliminary discussions. Participants have been formulating their positions and testing the ground for coalitions and even new ideas. There is broad agreement on all the different areas under review at least "en principe". Divergent views emerge only when it comes to a clarification of concepts and discussions on instruments and procedures of implementation. It has to be remembered, however, that negotiations in terms of hard bargains over controversial issues are likely to start only with the beginning of September 1996 on the basis of a first draft treaty. Even then, some positions will still be rather elusive as the important decisions will not be taken until the end.

The United Kingdom is the most reluctant partner when it comes to endowing the EU with greater authority. Though the Commission has claimed¹⁶ that the main issue of the IGC "will not be an increase in the Union's powers", improving the Community's decision-making mechanisms by the wider use of majority rule and parliamentary co-decision, the partial incorporation of the third - up to now inter-governmental - pillar into the Community sphere, that is subjecting it to supra-national methods and mechanisms, and the extension of judicial control by the Court of Justice all point into the direction of strengthening the supra-national character of European co-operation. The UK is the only member state that is opposed to any extension of qualified majority vote and has consistently spoken against extending the co-decision procedure. It has put forward proposals bound to weaken the role of the Court of Justice, too¹⁷. On other sensitive issues the UK is often supported by Denmark. While it is generally accepted that areas of particular economic or political importance should be subject to unanimity, following the BSE-crisis and the UK's "non co-operation policy" the majority of EU-members is more inclined than ever to reduce the veto position of a single member-state. One proposition still under discussion is the introduction of a "super-qualified majority" as an intermediate arrangement between unanimity and the present qualified majority.

¹⁵ A most comprehensive comparative analysis on the basis of the individual position papers is presented by Giller/Droutsas/Falkner et al. 1996. A most pertinent analysis of national interests concerning the future of European integration has been published by Wallace/Wallace 1995.

¹⁶ See the Commission Report for the Reflection Group 1996: 7 in European Parliament 1996.

¹⁷ It has to be remembered that the proposition to give the British Parliament competences to reject decisions of the European Court of Justice has been turned down by the British Parliament with a narrow majority.

Another issue does not look to be as thorny as it was envisaged. It is about the possible adjustment of the current system of weighing the votes in Council decisions and of the number of members of the Commission and of the Parliament. Two schools of thought have generated in the debate on the weighing of votes: Those who believe that decision-making procedures cannot ignore the principle of equality between member states and those who believe that the weighing of votes has to pay tribute to the principle of representation and therefore should be altered in a way to ensure a better balance between the number of votes and the size of population. With regard to the composition of the Commission a balanced representation of small and big member states runs counter to the criteria of efficiency in an enlarged EU: It has been emphasized that the "connaissance nationale" will make it indispensable that the Commission will include one national of each member state; efficiency should be met by adjusting the structure of the Commission. There is some widespread belief that in this "number game" a compromise will be found in a trade-off between votes in the Council and members in the Commission and seats in Parliament.

National positions in the security and defence debate reflect long standing preferences - be it Irish, Swedish or Austrian and Finnish neutrality, be it a greater emphasis on NATO rather than on WEU as it is the case for Denmark and the UK -, the ongoing evolution of NATO and the re-organisation of the defence system in some member states. There is "a widely shared desire"¹⁸ "...to implement political decision involving the use of military resources and capabilities, without the European Union itself embarking upon military operations." This at first sight rather paradoxical position has to be seen in the context of the on-going debate in the NATO about developing a European security and defence identity within the Alliance¹⁹ making use of NATO resources and bringing in the WEU organisation as well.

- Driving forces

Looking for the driving forces that might give the IGC direction, it becomes fairly obvious that the member states are keen to engage in the debate about treaty reforms in a way which will raise the legitimacy of the EU. Not the idea of European unification but the political reality of the EU meets with contempt and EU institutions have increasingly got a negative image. More member states than after Maastricht may feel obliged to refer the agreement of the present IGC to public approval by referendum. This may explain why so much emphasis is put on symbolic politics like the "visibility" of the EU, the commitment to popular principles like subsidiarity, transparency, sustainable development, and why pressing issues like unemployment are taken up, even when no affirmative action will follow. Another important aspect is that negotiations take place in the "shadow of the future". All those important issues not on the agenda of the IGC are nevertheless omnipresent in the negotiations. This holds true for fundamental reforms that have already been decided like Monetary Union and for pending decisions like the timing and the conditions of a further enlargement of the EU and budgetary reforms. There is a firm commitment that the Monetary Union will not be dealt with in the IGC and, in particular, that the provisions on the monetary integration should not be renegotiated. The enlargement and the future system of expenditure and own resources will not be touched upon either. But it is in everybody's mind that the IGC has to bring about the kind of reforms that will

¹⁸ Quote from the Presidency's report on the IGC, 17 June 1996: 45.

¹⁹ Conclusions of NATO's North Atlantic Council meeting, 3 June 1996.

preserve the EU's capacity for action and sustain the very nature of the Community construction when up to a dozen new members have joined. Negotiations on admitting new members into the EU and on financial reforms will be taken up right after the conclusion of the IGC. Irrespective of the date of entry for the new members, their membership will have tremendous effects on the budget and on the core policies of the EU. An early enlargement necessitates longer transitional periods and the support of the Community to adapt their economies to the common market. Will they join later, structural adaptation has to take place anyway and financial assistance by the EU will be part of the bargain. Starting from the assumption that it is most unlikely to have a substantial increase in the volume of the Community budget, the Common Agricultural Policy (CAP) and the Structural Funds (SF) have to be reformed anyway. The present system would imply that Community expenditures would explode given the fact that agricultural production in the applicant countries still constitutes a large part of the economy and that the average GDP of the Central and East European Countries (CEEC) is just about 33% of the average GDP in the EU. Financial transfers according to present day rules would not only exceed the budgetary capacities of the Community. The recipient countries would be in no position to co-finance and to administer the transfers. To match the needs and capacities of the new members, fundamental reforms have to be decided. This is the main reason why the IGC puts its focus so much on decision-making efficiency and the functioning of the institutions.

Enlargement is not only on the wider European agenda but very present in the IGC debate, too. Particularly from the point of view of advancing integration the concept of "flexibility" (Stubb 1996a; 1996b) has been explored even further. It is generally acknowledged that it might be in the interest of a stable development in the EU to make up for the retarding effects of enlargement by enabling member states willing to deepen their co-operation to go ahead. The community institutions and governments stress the point that flexibility is not about constructing a "Europe à la carte", where members may choose at will in what policy areas they want to participate. The formula agreed upon is that it is about "opting in" rather than about "opting out". Foreign and security policy and justice and home affairs are the two areas in which flexible arrangements are supposed to be required in the future. Within the domain of the European Community, the first pillar, the member states are far more reluctant to open possibilities for differentiations. The Commission and the European Parliament are even more cautious and would like to put tight constraints on flexibility. Though views diverge as to whether a general clause should be introduced or a specific one for each pillar and what kind of predefinitions as to purpose and procedures should be put down, there is consensus that the guiding principles have to be agreed upon: Conformity with the objectives defined by the Treaty and with the established institutional framework, no deterioration of the "acquis communautaire" and no distortions in the functioning of the Union; safeguarding the interests of non-participant member states and openness to all those wishing to participate and being able to fulfill the required conditions²⁰. Opinions differ as to the conditions for setting up closer co-operation. In general, preference is given to temporary rather than permanent differentiation, to a minimum quorum of participant states and to prior classification of how the institutions are going to operate. It is still under discussion what kind of adjustment to budgetary rules will be necessary and whether flexibility would have to be unanimously agreed upon or should be a right for those member states willing to intensify co-operation. Flexibility is a highly controversial issue. Apart from the number of points that still need to be discussed and that

²⁰ For a thorough discussion of the "ten amendments" to ensure a smooth functioning of flexibility see Stubb 1996b.

will elicit differing opinions, some member state governments are afraid that in the end their countries might be excluded from the core whereas others have apprehensions about the EU turning into a "monster" without identity and mission.

External pressures and internal public demands range high in the official statements to explain why the IGC has to be a success. Nobody would deny that the globalization of the economy and the import of security threats have an impact on the actors' positions in the IGC. But just how globalization stimulates regional co-operation is still an elusive concept²¹. Even if the external context is common to all participants, and even if each of them shares the notion that there is a need for common action, it has to be explained how this translates into specific agreements on the ways and means to get organized, to choose between competing objectives and to solve distributional conflicts²². This becomes quite evident by taking a look at what top decision makers in Europe consider to be the main threats affecting the vital interests of Europe in the years to come. At the head of the list is the possible development of certain countries into nuclear powers and the progression of religious fundamentalism (Eurobarometer 1996). Both challenges will not be met easily by "common action" and will call for global or at least trans-atlantic co-operation. Parallel interests are hardly ever synonymous with common interests; a distinction most central to early neo-functionalist writings (Haas 1964).

The same holds true for the influence public opinion will have on the progress of the IGC. "Living up to (citizens') expectations" (Florence 1996) is a central argument for putting individual items on the agenda and to commit oneself to the success of the negotiations. But it is open to discussion to what extent a change in the public mood will influence political preferences of the elite and even alter negotiating positions²³. From the very beginning European integration was a matter of elite engagement. Still today there is a wide gap between the attitudes of the general public and of top decision-makers concerning the general support for European integration and also concerning important items on the EU agenda like a single currency²⁴. Scholars have rather taken the cynical approach of assuming that the information deficit of other negotiating partners will be instrumentalized to make strategic use of a presumably reluctant or even opposing public to get a better bargain (Schneider/Cederman 1994). Interest groups' influence is easier to discover. Though the IGC is about high politics and is predominantly an intergovernmental bargain which is not considered to be the typical playground for interest groups, they have been invited to comment²⁵ and take the liberty to raise their voice²⁶. In which direction interest groups within the

²¹ For a general model on the impact of internationalization on the preferences and coalition behaviour of domestic actors see Garrett/Lange 1995 and Cerny 1995.

²² In a recent paper Schirm 1996 argues that it is "transnational globalization" that has stimulated the convergence of interests and as a consequence promoted regional co-operation.

²³ In an on-going research project at the University of Mannheim, supervised by F.U. Pappi, the relationship between national public opinions and the course and results of the IGC's negotiations will be examined (Thurner 1996).

²⁴ 94% of top decision-makers but only 48% of the general public consider membership in the EU a "good" thing. The perceived benefits of membership divide both groups even more clearly; 90% of the elite opinion see a perceptible advantage whereas 34% of the general public claim no benefit and 21% give no opinion (Eurobarometer 1996: 4f). The single currency is strongly supported by 51% of the top decision-makers but only by 24% of the general public (ibid: 10).

²⁵ The EP Committee on Institutional Affairs held a public hearing in October 1995.

²⁶ The activities of European level interest groups have been investigated by Mazey/Richardson 1996.

individual member states will push their government is an empiric question. It is safe to assume that competing advocacy coalitions will struggle to make their ground for their particular interests. In lack of empiric evidence I will not speculate on the strength and the direction of those forces. I would rather like to draw the attention of the reader to the limits of such an analysis: A strictly comparative analysis will miss a particularly important part of reality, i.e. that interest intermediation has developed into a transnational business. When looking at the member states separately one might get a distorted picture.

To sum it up: Analysing member states' positions at the negotiating table of the IGC, interpreting how "driving forces" might be translated into "national interests" adds up to an underdetermined situation. Many observers do agree that a number of outcomes are likely. But can we as political scientists not be any more precise than saying that these may range "...from a mild tinkering with the existing treaty to a radical overhaul and the adoption of a more comprehensive treaty" (Rees 1996: 9)?

6. Shared concepts and new practices

Taking a bottom-up view on institutionalization may help to disclose "...patterns unfolding over time" (Skocpol 1992:58)²⁷. My starting point will be the broad understanding of institutions suggested by Olsen (1995:5): "...a collection of practices and rules defining exemplary or appropriate behaviour for groups of actors in specific situations". Practices and rules are embedded (a) "...in structures of meaning and schemes of interpretation which explain and legitimize practices and rules. Causal and normative ideas provide purpose and help individuals make sense of the world" and (b) "...in structures of resources and principles of allocation which make it possible for individuals to enact roles in an exemplary or appropriate way and for the collectivity to sanction noncompliance and guarantee a high probability of enforcement" To translate it into the European context: Are there shared concepts that favour the redefinition of political boundaries to make the EU look as the "appropriate" unit of policy-making? Does the "European project" find support in terms of matching established belief systems about legitimate objectives and criteria of rational behaviour? Will conflicting views on appropriate aims and strategies be taken up by transnational advocacy coalitions or is the organisation of interests still confined to national boundaries?

The EU has been characterized as a system of "multi-level governance" (Marks 1993). Is it multi-level in the sense of "nested games" (Tsebelis 1990) with a gate-keeping position of national governments in a "two-level game" (Putnam 1993)? Or will interested parties within individual member states take the opportunity to make direct links to Community agents and establish a practice of an interconnected boundary spanning system of interest intermediation? What are the boundaries of policy networks and what is the territorial reach of intermediary organisations and "agencies that form the fourth branch of government" of any regulatory state (Majone 1994)? Last but not least, is there a supply of resources coming from the Community which is used by decentralized actors to enact new roles and change patterns of compliance?

²⁷ Quoted in Pierson 1996: 131 who presents a historical institutionalist analysis to the study of European integration.

6.1. Incorporating understanding

In search for empiric evidence of my hypothesis that looking at the process of institutionalization will tell us more about the future of European integration I will concentrate on some selected lines of argument. There is a long series of public opinion surveys, the Eurobarometer, that have produced a wealth of data. They give us proof how over time the general public has assessed European integration and what unit they feel they belong ²⁸ to. Data on the likely emergence of a hegemonial concept on the "European project" is taken from my own research²⁹. Information on transnational advocacy coalitions is based on more scattered data³⁰.

- Europe: a good thing and a place to belong to

Though in recent years the long forgotten debate on what brings about and sustains political community beyond the nation-state has been taken up again, neither its theoretical underpinnings³¹ nor our empiric knowledge has improved markedly³². If we discharge the assumption that "tangible homogeneity" in terms of ethnic origin, language, culture, historic experience is the requisite underpinning of community and therefore the necessary pre-requisite of democratic governance (Kielmansegg 1996), attitudes and beliefs will be decisive. The suggestion is that (a) the boundaries of the political community may be stretched beyond the nation-state when people share the belief that others are part of the same community and can be trusted and that (b) people will support a polity which they consider "a good thing" in general and to which they see themselves as belonging to³³. For the general public a "united" Europe and membership in the EC/EU, as well, is a "good thing". Positive attitudes are strong and durable in spite of all oscillations over time and variation between countries. The high average level of "support" and its development over time make it plausible that public opinion is not shaped by experience, but by general attitudes and expectations. In the original six member states public opinion started from a high level of positive judgement as

²⁸ The wording changed over time: first it was about what geographical unit they belonged to, later if the respondent thinks of himself more as being a member of a particular national or a European. For an in-depth analysis of the data see Niedermayer/Sinnott 1995.

²⁹ "Regions as Political Actors in European Integration" (REGE) is an international research project I have coordinated and carried out at the Mannheim Centre for European Social Research (MZES), Universität Mannheim. Team members: J. Grote, M. Knodt, F. Larat, S. Umberti (MZES, Universität Mannheim); external cooperation partners: E. Négrier, M. Lacave, W. Génieys, O. Dedieu (Université de Montpellier, Centre comparatif d'Études des Politiques publiques et des Espaces Locaux); B. Jouve (Ecole Nationale des Travaux Publics de l'État à Lyon, Centre de Recherches Interdisciplinaire Ville, Espace, Société); Prof. F. Morata, J. Etherington, N. Gomez-Mataran (Universitat Autònoma de Barcelona); Prof. S. Loughlin, J. Mathias (University of Wales College of Cardiff, European Study Centre). First results have just been published: Kohler-Koch 1996b, 1996c; Grote/Knodt/Larat 1996; Jouve/Négrier 1996; Knodt 1996; Larat 1996. The condensed findings will be published in a book at the beginning of next year, Kohler-Koch 1997.

³⁰ Partly based on my own research, partly on published literature and research in progress which is available in pre-prints and disseminated through E.L.I.R.

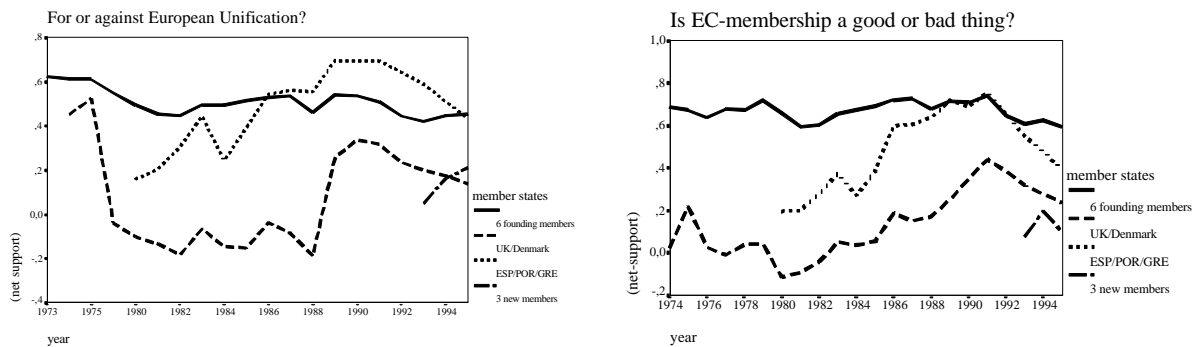
³¹ Deutsch 1966 still is the main point of reference.

³² For a recent controversy see Howe 1995 and Obradovic 1996.

³³ I will not enter the discussion if the attitudes measured in the Eurobarometer surveys just indicate a "permissive consensus" (Lindberg/Scheingold 1970) or can be interpreted as political "support" (Niedermayer/Westle 1995). Niedermayer 1995 aggregated four questions relating to "unify Europe", "membership", "scrapping" the EC being a "good/bad" thing, in one indicator for "diffuse support". The question relating to "benefit" being a member of the EC was taken as an indicator for "specific support". Here I will only refer to "unify Europe" and "membership".

did the Southern countries that joined in the 80s. With the Northern enlargement two countries joined where the public for more than a decade continued to be rather sceptical concerning the benefits of unification. "Societal learning" quite obviously does not function according to the simple equation that the length of exposure to regional integration will determine the level of support. Even tangible benefits like net per capita payments from EC fund do not produce strict positive correlation neither with the percentage claiming to have benefited from the EC/EU nor with the percentage reporting membership to be a "good thing" (Bosch/Newton 1995: 81).

Support for European Integration



(Schmidberger 1996)

When it comes to the feeling of "belonging", of being a "European citizen" or "a European", the empiric findings again run counter to general wisdom that the sense of European identity depends on the length of EC membership (Duchesne/Frogner 1995: 201). What may be even more surprising is that there is no direct relationship between national pride and European identity (ibid: 202). A sense of belonging, evidently, may embrace several political units and the development of an attachment to Europe will not weaken a national identity. Apart from obvious variations between countries there is a striking difference between the North and the South in Europe. A sense of belonging is strongest and most lasting in Greece, Spain, France, Italy, and Portugal. When, however, people are asked how much trust they have in people from other countries, those who consider themselves more European than others, do not range high. The people most trusted from the average respondent are those in the smaller countries in the European centre. Among the least trusted are the Italians, the Portuguese, the Greek, but also the British (Niedermayer 1995; Hofrichter/Niedermayer 1991). Nevertheless, trust is slowly raising all over Europe and being a member of the EU makes a difference.

Looking for trends, it is difficult to find general patterns of embracing "evolutionary tendencies". There is striking evidence that being of the opinion that unifying Europe and being a member of the EC/EU does not require any initial experience. "Learning processes" may strengthen but also weaken the support, and we know very little about the reasons why. Despite some "disillusionment" that followed rising expectations attached to the Single Market project, in most countries there still is a solid positive attitude towards Europe, though there is a big gap between the general public and top decision makers³⁴. Support for European integration has always been higher at higher levels

³⁴ The most striking difference between the results of the two surveys (Barometer 1996 on Top Decisions Makers and Standard Barometer 45/1996) is that there is a small variation between countries in the attitude of top decision makers - ranging from 98% in Germany to 81% in Sweden

of opinion leadership and political elite, but the gap seems to be widening. Given the fact that mass mobilization in favour of European integration by political parties, for instance, has some effects but is neither permanent nor cumulative (Wessels 1995), projecting the slow but steady emergence of a strong sense of political community in an enlarged EU is at least premature.

- Shared concepts of the European project

Beyond all doubt, diffuse acceptance of the EU is widespread among the European elite. But what kind of Community system is it that gets support? In order to become accepted as a relevant unit of politics, I suggest, there has to be a firm belief that action is taken on the basis of a "logic of appropriateness" (March/Olsen 1994: 5). The question then is how firmly the main concepts that are linked to the "European project" are incorporated in the belief system and in the practice of different types of actors with the member states.

"Leading concepts" have always been highly relevant in European politics. Because there is no government legitimized by public vote and equipped with powers of enforcement, European politics is an on-going negotiation marathon among autonomous actors. Concurrent views on what basically European co-operation is about will help to balance difficult trade-offs.

From the very beginning, the European Communities were based on a particular "logic of integration". The treaties entailed a "programme of action" committing the contracting parties to specific objectives, to principles, norms and rules of proper conduct and adequate procedures. Representatives of Community organs considered it quite evident that they have in common "une certaine idée de l'Europe" (Pescatore 1983: 157 quoted in Wincott 1995b: 585). It is not a diligently worked out masterplan of action, an encompassing and coherent philosophy, but rather a "floating signifier" changing over time and according to context. It is a process of conceptual "framing" with many participants. The European Commission as privileged agenda setter in Community affairs plays an important role. Increasingly, the European Parliament, too, sets the tune as individual countries do. Though individual actors may initiate ideas, shared concepts only emerge when actors' expectations converge. Dense communication and regular interaction will shape the concept and contribute to that it may make more sense to all parties involved. To become a point of general reference, however, is a matter of choice. Recipients will not choose at random because they are constrained by existing institutions and established preferences. Nor do they have a free choice. Being involved in Community programmes, for example, entails being exposed to particular rules of the game and ideological wrapping.

It is an empiric question whether there is something like "shared concepts" and whether direct involvement in Community activities makes a difference. The data I want to refer to (REGE 1996)³⁵ are about a particular brand of "European integration logic": The contribution of "enhanced competitiveness", "a greater say of the regions" and "co-operative governance". The guiding principles attached to that concept are "market orientation", "subsidiarity" and "partnership". The concept slowly emerged in the second half of the 80s and gained full momentum with the

calling EU membership a "good thing" - and in the attitudes of the general public - ranging from 75% in Ireland, Italy, and the Netherlands to the lowest scores of 27% and 29% in Austria and Sweden.

³⁵ The REGE data set is based on 1250 questionnaires from 9 regions in 5 different countries.

reforms of the EC regional policy and structural funds in 1988 and 1993. The label "Europe of the regions" has been a common denominator for some time, propagated by the EP and the association of European regions, as well. The concept, from the very beginning, carried connotations of economic and political modernization: Mobilizing indigenous resources by local strategies of flexible production, strengthening political autonomy through economic competitiveness and bringing politics closer to the people. The different elements of that conceptual compound may be analysed individually: (1) The role (elite) actors³⁶ attribute to regions in European affairs, (2) the preferred economic strategy, (3) the idea of effective and legitimate governance.

At first sight the data provide striking evidence that there is a dominant, European-wide accepted concept that regions are on the move:

(1) Any type of actor in any single region attributes high importance to the regional level of government in shaping everyday life within the region.

(2) The emphasis put on the regulatory force of the market and striving for economic competitiveness finds wide support in all countries and types of organizations.

(3) Co-operative government is considered to be attractive and worthwhile investing time and efforts.

(4) Changes in the organization of politics are widespread and network building goes beyond boundaries linking regional actors directly to the supranational level and forging trans-regional coalitions of interest.

A closer look, however, does reveal a more differentiated picture.

There is a surprisingly high support for a strengthening of the regions in European affairs. Variations are rather territorial than actor-dependent which can be explained with the allotment of legal competences and economic-administrative capacities. The overall high level is a surprise because at the time of the survey popular regionalism was not at its peak and institutional self-interest does not have explanatory force as there is little variation between the attitudes of public and private actors.³⁷ These findings do not, however, imply a trend towards a "Europe of regions". Rather a "Europe with regions" is emerging. The first evidence to support this hypothesis is that there is a bifurcate development towards strengthening intra-regional networking which goes parallel to an expansion of transnational coalition building. Another one is that all kinds of organisations have established direct links to Community agents irrespective of policy areas, although this is particularly true in policy fields not dependent on public management.

A similar ambivalence exists if one compares the relative position of regions and the nation state in European affairs. "Strengthening the regions" gets high marks, particularly in those countries where the political power is concentrated on the national level. Those, however, are the countries that attribute high importance to any kind of state agency be it on the regional, the national or the European level. It is a distinct "Southern" pattern (embracing Spain, Italy and France) and there is no evidence that the upgrading of the regions should go to the detriment of the

³⁶ Respondents were representatives of private, public or semi-public organisations within the regions.

³⁷ 75% private, 79% public actors are in favour in the European average.

state. In other words: despite the strong support for a greater say for regions, there is no strive for a "Europe of regions" coming close to the often cited "sandwich model", i.e. a state of declining importance that is squeezed in-between the big bottom - regional - and top - European - layer.

There is some more evidence which runs counter to the notion of a hegemonic political concept of European regionalism. What regionalism is about and what kind of strategy for regional development should be pursued is clearly distinct along a north-south divide. In the South, a "Europe of the Regions" is equated with preserving more cultural pluralism and a closer attention to the needs and desires of individuals. Whereas in the North, respondents expect that it will bring about a strengthening of already competitive regions and a counterbalance to centralizing tendencies.

A similarly clear-cut profile which is different in the North and South is attached to the concept of regional competitiveness. There is an overall broad agreement that it is useful to follow the market-orientation of the EC's economic policy³⁸. When asked whether being subject to the EC rules regulating competition may produce harmful effects on one's own region, the answers are more sceptical in particular in the South. An even more clear-cut profile dividing North and South emerges when actors in the different regions were asked which policy positions should have more influence on the regional economy. Independent of their national origin, the "Northerners" were stronger in favour of strengthening the market forces. In the South, there is a stronger plea for more emphasis put on social cohesion and sustainable growth. Most pronounced is the strong backing for measures of "safeguarding trade", the euphemistic formula used for protectionist measures.³⁹

According to our data, the concept of "cooperative government" has gained ground all over Europe. A close public-private partnership is considered best suited to tackle today's problems (85%). Good governing is no longer perceived as decision-making from the top of the hierarchy. State agencies should rather take the role of intermediaries, being in close contact with economic and social actors (75%). There are hardly any discernible differences according to actor categories or territory. The widely propagated and shared philosophy of public-private cooperation in joint problem-solving and of a new mode of "discursive government" is reflected in daily practice in the way that many consultative bodies, steering committees and other types of regional networks have been established.

6.2. The transnational organisation of politics

Incorporating new understandings into politics and policies is one part of institution building. The other is about the organisation of politics. Whom do people turn to with their demands? What networks for coalitions of influence or joint problem-solving are established? What is the reach of intermediary organisation? Below the threshold of constitutional change, the organisation of politics has been restructured. In many policy areas the EU now is the relevant unit of the policy process.

- Boundary spanning networks

³⁸ 85% in favour.

³⁹ The phrasing of the questions was adapted to the terminology used by the Commission in its White Paper on Growth, Competition and Employment, Commission 1993.

When just looking at Brussels, the general impression is that the EU arena is crowded with a multitude of transnational actors. Numerous European federations of interest associations have been established, their number and scope of activities has steadily increased with the deepening of integration. The launching of the single market programme has promoted a further expansion of Euro-level interest organisations⁴⁰. The sheer number of actors eager to serve as transmission belts between all different kinds of "local" actors and Community bodies is impressive. To assess only just their quantitative importance, not to speak of a qualitative assessment of their influence in EC affairs, they have to be put in relation to the number and size of interest groups at the national level. Up to now no systematic comparative analysis has been made. But in view of the pluralistic nature of EC interest intermediation, it is plausible that just looking at the sheer number of organisations will give a distorted picture. Taking into account the size of the more encompassing national interest organisations in terms of staff and budgetary resources, the European counterparts look far less impressive.

In order to get a more accurate account, the REGE project choose a bottom-up view. Representation of different types of organisations were asked about (1) the contacts they have to other organisations at the regional, the national and the European level; (2) which organisations they considered to be important for the economic development of their own region and (3) which organisations in their experience proved to be particularly helpful for taking part in an EC programme⁴¹. Notwithstanding national and regional variations, the data reproduce a rather uniform picture: All kinds of actors have established close direct links to the EC level. Among the different Euro-level organisations, the European Commission ranked highest in terms of contact and importance⁴². It is the Commission in particular that proved to be most helpful when participating in EC politics. It is noteworthy, too, that regional public actors are an important, and most of the time the main transmission belt of "local" interests towards the European level. The active participation of sub-national actors in EC affairs does not, however, imply any crowding out of national actors nor of sectoral interest organisations. There is no zero-sum game neither between levels of government nor in the balance between private and public actors. It is not a "Europe of the regions" that is developing, rather a "Europe with regions", and regions are far from turning into unitary actors. Regional governments do not speak on behalf of a particularly interested party within the region but rather in support of it.

- Transnational advocacy coalitions

European interest intermediation is not just a matter of a joint response to EC policy initiatives. Interested parties are not just reactive nor do they consider the Community bodies to be their only counterpart. The influence of interest groups varies the agenda actively. One way of doing it is by producing and propagating concepts of "successful

⁴⁰ The Commission's directory lists about 600 Euro-level federations; the number of interest groups, "public affairs" consultants, liaison offices of public actors of all different kinds, which are not listed, is estimated at several thousands.

⁴¹ The question concerning "helpful" referred to regional structural policy programmes and to programmes in the field of technology and research.

⁴² The liaison offices of the regions in a good number of cases ranked high, too. The European Parliament, the Permanent Representatives, chambers, associations and consultants scored low.

strategies" and "best practices"⁴³. Also in the context of the IGC different "advocacy coalitions" in Sabatier's terms, are quite active to influence the framing of the negotiations. Mazey and Richardson (1996) have spotted three broad coalitions. Business interests rallying behind "competitiveness" and "efficient decision-making", the environmental lobby as the most prominent rival advocacy coalition propagating "Greening the Treaty" and in a weaker position the European trade unions demanding a "real" Social Union. Coalitions include national governments or rather particular ministries of member state governments, individual directorates of the Commission or intergroups in the EP⁴⁴.

The EU is in no terms the "layer cake" associated with the model of multi-level governance. Detailed case studies reveal an intricate web of transnational relations between interested parties⁴⁵. Advocacy coalitions are organized around policy issues in networks loosely coupling actors in a transnational, horizontal and vertical dimension. They evolve around core groups like Euro-level associations living in close and durable interchange with representatives from Community organs. Such associations, however, are no "unitary actors" but many times sub-systems take the lead - like the big players in business associations (Green 1994) or particularly active international member organisations like the British on animal welfare and consumer protection.

Furthermore, besides lobbying the Commission and the EP, transnational interest groups join forces to put pressure on individual national governments⁴⁶ and they engage in "private interest government", ranging from codes of conduct between public affairs agencies to the regulation of business practices like in the chemical industry. Interest intermediation is no longer a multi-level game but takes the EU as one stage for action.

- Penetrated systems

The European Commission has been very active in recent years in "networking" (Kohler-Koch 1996a). With little money but cleverly designed "action programmes" it managed to breed new boundary spanning networks. Subsidies for economic restructuring or for research and technology are often linked to trans-boundary co-operations. The Commission encourages the transnational organisations for self-regulation among recipients, provides them with resources, granting them privileged access to information and consultation or even entitles them as the only legitimate interlocutor.

Particularly in those domains where Community competences are still weak, like in culture, education or welfare and health care, the Commission established consultative committees, financed and organized the creation of transnational networks. It contributed to produce clientelistic pressure groups which then demanded an additional transfer of competences and resources to the Community. Many times those newly built transnational networks are in competition with established national organisations. Whether they have to live in the shadow of national institutions or will become dominant policy communities is a matter of organizational strength and of conceptual

⁴³ It is quite evident that not all actors will qualify to produce concepts that may turn out to become generally accepted (Kohler-Koch 1996e). Investigating the particular conditions reveals once again that the integration process is not "innocent" (Caporaso 1996: 47).

⁴⁴ The so-called intergroups play an important role in soliciting the support from members of different party groups in favour of a particular issue.

⁴⁵ Evidence is taken from an on-going research project on "Pressures on the European Parliament" (PEP).

⁴⁶ The most prominent case is the pharmaceutical industry.

framing. As long as national organisations are not confronted with supra-national policies that directly touch their interests, they have difficulties getting organized beyond the nation-state. Even weak transnational networks, less rooted in the domestic environment, but well adapted to inter-national relations and oriented towards Community level concepts, may take the lead.

A more solid cornerstone of such a penetrated system are the different agencies set up or supported by the Community. CEN (European Committee for Standardization) and CENELEC (European Committee for Electrotechnical Standardization), the Euro-wide committees for standardization are the best known, though not the only institutions of self-regulation. There is a strong push for a "fourth branch" of Euro-wide governance. The newly established agency for pharmaceuticals is definitely part of it, similar constructions are suggested for dealing with the certification of medical device.

These regulatory agencies are supplementing the unique structure of the EC. Its most outstanding characteristic in international comparison is that it is governed by supranational law. The supremacy of EC law and the active, pro-integrationist ruling of the European Court of Justice is one part of it. The other is that national courts are part of a decentralized enforcement of EC law independent from any governmental interference. The EC is a Community of law in terms of being governed by legal agreements and in terms of the independent third branch of government enacting legal control and the compliance of actor behaviour. The robustness of Community integration, therefore, depends on the incorporation of that principle of the "suprematie" of European law and of the ensuing norms, rules and procedures in the daily practice of national courts. On what point practices and expectations will converge is heavily influenced by the legal discourse in which the courts are embedded.

7. Conclusions: A Community sui generis

What are the lessons to be learnt from this type of analysis? First of all it becomes quite evident that just looking at the member states' positions in the IGC will tell little about the likely development of the EU. National preferences are shaped by the "hidden agenda" of the IGC. National interest positions have to be understood in the broader context of enlargement, Monetary Union and financial agreements. The political agenda as such is not disputed. Conflicts do arise because the political objectives at stake are not mutually compatible. They form a "magic square" because optimizing one objective will produce sub-optimal consequences for the other. In view of these incompatibilities and the different costs that will have to be paid by individual member states, it will indeed be much more difficult than before to balance trade-offs. Enlargement is perceived as a necessity for stability at the Central-East periphery. The enormous budgetary requirements of such a step will primarily harm the member states of the Southern and North-Western periphery in terms of declining revenues or even increased contributions to the Community budget. Without transfer payments cohesion will be lacking and spill-back will be more likely than any deepening of market, not to talk about political integration. This may be to the liking of the United Kingdom, but certainly not in the interest of those highly industrialized member states that consider EMU a stepping stone for global competitiveness. In addition, the Benelux countries and France always aimed at deepening European integration to absorb the dominant position of Germany. A core Europe is fiercely resisted by the less developed smaller member states. And even the UK, despite its basically "accommodating position" which so far has made sure

that "(t)he strings attached to UK membership have not prevented the EC/EU from developing broadly along the path that most member states have wished to go" (Bradbury 1996: 87), will be opposed to a "core" outside its sphere of influence.

In this perspective "patchwork Europe" (Gstöhl 1995) is ahead. All we can tell is that there are limits to further spill-over and few but strong forces for a considerable spill back. Not by chance are there so many scenarios for a mosaic of many Communities. When we include in our analysis the particular procedures and the setting of the "institution-building from above" we can be more precise. The agenda of the IGC is a deliberate act of splitting the agenda in order to make it possible to come to an agreement. All participants have committed themselves repeatedly in public to make the Conference a success. This way they have created strong expectations that necessary steps will be taken to improve the efficiency, accountability and effectiveness of the EU. As a consequence it is safe to assume that, despite the fact that member state governments will negotiate with the hidden agenda in mind, they will concentrate on how to come to an agreement on the selective issues of the IGC's agenda. The most relevant time horizon is summer 1997. The short time interest to avoid failure is most pressing. It will be linked with other, more individual short time interests. This particular mix will have as its most likely outcome a small, but definite improvement of the EU's institutions.

In order to predict the long-term and mainly unintended consequences the analysis has to shift to a bottom-up approach. First of all we have to look at societal interests that may work in favour of the strengthening of European governance. The most dominant advocacy coalition, i.e. business interest does in general not favour a "stronger state". But to secure European competitiveness, to continue with de-regulation and the strengthening of market forces will require to strengthen the Community. For the time being, counterweighing forces like the trade unions and environmental groups are in a weaker position. But they, too, are struggling to build up European-wide advocacy coalitions and from their point of view more rather than less Community power is in their interest. Upgrading European institutions for partisan interests is the most likely outcome of the formation of transnational advocacy coalitions. Such coalitions derive their strength and importance from the organisational infrastructure of the European polity and from the general belief that the EU is a relevant and legitimate unit of policy-making. Here the analysis of shared understandings of acceptable and appropriate principles and norms of governing and the congruence of established rules and practices comes in. From the limited empiric evidence we have, we can conclude that there are widely shared belief systems spanning national boundaries. Policy networks have extended to include supra-national actors as well, and are partly transnational in character. The way the organisation of politics is restructured and the particular profile of belief systems, however, definitely have strong national characteristics. In addition to these national differentiations there seems to be a distinctive North-South divide. The EU has turned into a political region in the strict sense of our definition as a privileged arena for the organisation of politics and shared concepts of governing. The European Union will not become a substitute for nation states but it is and will stay a "Europe with states". In internal as well as in international affairs, it is a corporate and a collective actor in the sense that the EU will unite in common action and decide authoritatively for its citizens and that national and sub-national governments will autonomously decide on many issues. It is a regional community "sui generis" in terms of being a Community of law and a highly institutionalized boundary spanning system. Further enlargements will make it more heterogeneous, but will not cause the kind of spill-back that may make the whole

system crumble, at least as long as no fundamental shocks are going to threaten the fabric of the European systems: democratic welfare states within an international system of organised capitalism with regional turmoil but no existential threats.

Appreviations

ARGE Alp	Arbeitsgemeinschaft Alpenländer
ARGE Alpen-Adria	Arbeitsgemeinschaft der Regionen der Ostalpen
ARGE Donau	Arbeitsgemeinschaft der Donauländer
CEPT	Conférence Européenne des Administrations des Postes et des Télécommunications
CERN	Organisation Européenne pour la Recherche Nucléaire
ECAC	European Civil Aviation Conference
EEA	European Economic Area
ESA	European Space Agency
EUREKA	European Research Coordination Agency
EUTELSAT	European Telecommunications Satellite Organization

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