On September 8, 2008, three men traveled to Moscow to meet Dmitry Medvedev and Vladimir Putin, respectively president and prime minister of Russia. The three men were Nicolas Sarkozy, president of France; José Barroso, president of the European Commission; and Javier Solana, the high representative for the Common Foreign and Security Policy of the European Union (EU). They were in Moscow to broker an agreement to end the tense standoff between Russia and Georgia after the tiny Caucasus republic had invaded the Russian-backed separatist region of South Ossetia a month before. They reached a deal; Russia withdrew its troops from Georgia and accepted 200 EU observers at the border between Georgia and South Ossetia. NATO, however, was furious, as the deal allowed Russia to keep a large number of troops in South Ossetia, while the United States complained that some European countries were too dependent on Russian gas and thus too subject to Russia’s will. This episode underscores some key features of the EU. It acts through its own supranational institutions, as well as through its member states; its political power potentially puts it in conflict with other international organizations and with the United States; and for all its activism, it remains weak when it is confronted with countries using traditional state power.

The European Union (EU) represents a remarkable attempt by the nation-states of Europe to construct a framework of governance to make collective decisions about a broad range of issues. As an organization the EU is far more legally authoritative and institutionally sophisticated than any other international body. The twenty-seven member nations have not renounced the vigorous pursuit of their “national interest” in any policy area. Yet, by agreeing to pursue that interest within an organization such as the EU, the member states recognize the ultimate
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superiority of multilateral decisionmaking and action in a variety of policy areas.

The term European Union is often used interchangeably with the term European Community. The original European Economic Community (EEC), established with the Treaty of Rome in 1958, gradually came to be known as the European Community (EC). The Treaty of Maastricht in 1992 changed the name of the European Community to the European Union. In certain legal contexts, however, the term European Community is still used. In this chapter we determine usage by what is most appropriate, given the historical period being discussed.

Although the EU resembles an international organization in certain ways, it is in fact very different. To begin with, it includes institutions that are not directly controlled by the member states and that exercise real policymaking power. The EU is similar to a national political system, but it is clearly distinct from the other political systems discussed in this book. For example, it does not have its own military or its own police force, and it does not belong to the United Nations. It is not a sovereign entity in the way that traditional nation-states are sovereign in international affairs. Furthermore, it is governed without a prime minister and a cabinet, which are found in traditional parliamentary democracies. Rather than being governed by an elected government, a group of institutions collectively makes EU policy. Although the EU produces binding laws, the fact that it does so without having a traditional “government” is perhaps the EU’s most confusing feature.

The EU is an experiment in “pooling sovereignty.” National governments have agreed to restrict their own ability to make decisions unilaterally. They have agreed to make decisions in concert with other member governments and with institutions that are not under their control. In many policy areas, a national government, when outvoted by other governments, must comply with the decision it opposed. This process does not cover all policy areas, but it does cover many. Unilateral decisionmaking by national governments has become less frequent as the EU’s policy agenda has gradually expanded.

Belonging to the EU has serious consequences for member states. A significant share—between 30 and 50 percent—of all domestic legislation originates from the EU. Membership in the EU is not to be taken lightly, for it changes the policy processes and the policy outcomes of national political systems. Membership carries with it serious and binding economic and political commitments. Individual nations belonging to the EU can be increasingly thought of as member states of a larger collectivity that shapes their policy options. However, membership does not change the culture of a country—the same language is spoken before and after accession, for example. A nation’s “way of life” goes on after accession as it did before. A country makes a serious political and economic commitment when it joins the European Union, but it does not commit to changing its culture and history.

POLICY CHALLENGES

The very success of the EU underpins its biggest challenges. As it has become a byword for economic prosperity and democracy, this increases the pressure to include more and more members. From the original six members, the EU now counts twenty-seven member states. This huge increase in size creates problems that have not been solved yet. Some analysts believe that with the Eastern enlargements of 2004 and 2007 (in which the EU increased almost twofold, from fifteen to twenty-seven members), the EU has in fact bitten off more than it can chew.

Three related challenges have come to the fore. First, the newer member states are much poorer and much more agricultural than the older members. In 2008, for example, Poland, the largest of the twelve new member states, had a per capita gross domestic product (GDP) that was only 55 percent of the EU average; Bulgaria’s was only 39 percent of the EU average.¹

The second challenge is institutional: restructuring the policymaking institutions of the larger EU to avoid gridlock. The Lisbon Treaty (see below) tried to answer this question. After its rejection by Irish voters in June 2008, the EU is left—not for the first time—to ponder how to combine decisionmaking efficiency and democratic legitimacy.

Finally, the EU now includes most of Scandinavia, key Mediterranean countries, and former Soviet satellites. As the economies of the twenty-seven become more intertwined and as more policy areas are included in an integrated Europe’s policy portfolio, questions of national identity are more salient. European cultures reflect many centuries of disparate historical experiences, and the current economic convergence is proceeding far more quickly than cultural (or linguistic) convergence. Although the EU is firmly committed to protecting cultural diversity, the
tension among culture, economics, policy, and identity are more pronounced now that the EU includes such a wide range of nations. Even in Ireland, a country that has benefited enormously from its membership in the EU, one of the most important reasons for voting “no” to the Lisbon Treaty was defending Irish national identity. To what extent will the average person accept being made into a “European” in political and economic terms before feeling that his or her identity is being fundamentally threatened? That question has not yet been answered.

The question of a “European” identity is further complicated by the issue of whether Turkey actually belongs in the EU. The question of whether accession negotiations should begin with Turkey (which was officially accepted as a candidate country in 1999) divides mass electorates (which generally oppose Turkish membership) from their elected leaders (many of whom support it). The very difficult historical relationship between Christian Europe and Muslim Turkey (and its predecessor, the Ottoman Empire) has brought issues of identity to the fore as the debate over Turkish accession has developed. The consequence of such a debate over “European” identity is unpredictable. Ironically, the debate over Turkey may make “the 27” feel more European than they did before Turkish membership came onto the political agenda. Yet, the question of Turkish accession also presents an opportunity for the EU. Given the capabilities of the Turkish military, an EU with Turkey as a member could play a major role in geopolitics. The Turkish question may well force the EU to choose between cultural affinity and a major geopolitical role.

WHY “EUROPE”?

At its core, the EU is rooted in the desire to transcend European history, a history filled with “rivers of blood,” to use Winston Churchill’s famous phrase. European integration is an attempt to change the geopolitics of Europe. By entangling the domestic institutions of individual nation-states within the institutions of the EU, integration has changed (hopefully forever) the relations among European states. Such a change in international relations, however, has “fed back” into national political systems. Domestic policies, institutions, and modes of governance have been changed by virtue of belonging to the EU.

The integration effort was initially anchored in the belief that it represented the best answer to “the German Question” after World War II. That is, integration (rather than confrontation) was the best way to keep Germany firmly in the company of peaceful democratic nations and to keep it from playing a destructive role in postwar European geopolitics. The attempt to ensure that Germany was a cooperative rather than a threatening neighbor led to a historic restructuring of relations among European states. This also significantly influenced domestic politics and policy.

Although the fear of potential German aggression was an initial motive for European integration, there are other important spurs to integration. European business firms’ fear of losing competitiveness relative to American and Japanese firms is one such spur. People accept that international problems such as environmental pollution, illegal immigration, and organized crime require transnational solutions. The European difficulties in dealing with the various Balkan crises, including Kosovo, have pushed governments to increase their coordination in the defense area.

National governments have sometimes led this effort at integration. At other times they have acquiesced in accepting it, or they have resisted it. Whatever their stance toward European integration, national governments play a key role in shaping and directing it. The institutions of the EU not controlled by the member states, including the European Court of Justice, also can keep the process of integration moving, especially when the member states do not exercise leadership.

The EU is now so important that much of what happens in national capitals cannot be understood without considering Brussels. However, neither can one understand what happens in Brussels without taking national capitals into account. Brussels is not nearly as divorced from national politics as Washington is from the politics of state capitals in the United States.

The EU’s political system is entangled with the politics of its constituent member states, while simultaneously having its own separate institutional identity and political dynamics. That balance between entanglement and autonomy makes it both complex and fascinating.

Schuman, Monnet, and the European Coal and Steel Community

European integration is linked to the creation of institutions that have some autonomy apart from the member governments. While member governments remain pivotal, they are not the only important actors.
The existence of such independent institutions—cohabiting with institutions that are more tightly controlled by member governments—is known as supranationality. Intergovernmentalism, by contrast, refers to institutional arrangements in which only national governments matter in the making of policy.

The effort toward European integration—understood as having a supranational component—dates from May 9, 1950, and the Schuman Plan (see Figure 12.1). On that day French Foreign Minister Robert Schuman proposed the creation of an international organization to coordinate activity in the coal and steel industries. Designed to ensure Franco-German reconciliation, Schuman’s proposal represented a reversal of French foreign policy toward Germany. France changed from a policy of unremitting hostility to one of reconciliation. Schuman envisioned a Germany embedded in an integrated framework as the way to constrain German might. Schuman’s own life experience encouraged him to shape “French foreign policy to his vision of a Europe in which France and Germany were reconciled and the suffering of the border provinces ended.”

The Plan had been designed by Jean Monnet, then general commissary for the French Plan of Modernization and Equipment. Monnet underscored the strategic importance of having a “supranational” component in any initiative designed to achieve integration. In his view, supranationality was necessary to prevent the old interstate balance of power dynamics from becoming preeminent. Monnet was to play a critical role in the process of European integration throughout the following decade and beyond, so much so that he is sometimes referred to as “Mr. Europe.”

The Franco-German relationship lay at the core of the Schuman Plan. That relationship remains the central one within the process of European integration. France is Germany’s key interlocutor in Europe, and Germany is France’s key referent. When they agree on the need for further integration, France and Germany provide the political energy, the driving force, and the momentum for achieving further integration.

In addition to reversing French foreign policy toward Germany, the Schuman Plan invited democratic nations in Europe to join in forming an international organization outlined in the plan. Germany, Italy, Belgium, Luxembourg, and the Netherlands (the latter three known as the Benelux countries) responded. The United Kingdom (UK) rejected the invitation to participate in the European Coal and Steel Community (ECSC) negotiations, which was a defining moment for the future relationship between the UK and an integrated Europe. The six nations signed the Treaty of Paris, which established the ECSC, on April 18, 1951. The ECSC focused on economics as the most appropriate arena for integration. Integration would foster interstate trade and the prosperity that flows from such trade, and integration would expand by the results of such trade. This view has
Robert Schuman’s life story reflects the history of Europe in the twentieth century. He was born in Luxembourg in 1886 and was raised in the German-speaking part of Lorraine. He attended German universities and then was drafted into the German Army in World War I. Schuman became a French citizen in 1919 when Alsace-Lorraine was restored to France under the Treaty of Versailles. He was elected to the French Parliament in 1919, but refused to serve under the Vichy Regime. The Gestapo imprisoned him for condemning the expulsion of the French population of Lorraine. He escaped in 1942 and became active in the French Resistance. As the war was ending, he helped to found the Christian Democratic Party (MRP) in 1944. Between November 1947 and December 1952, Schuman served as either prime minister or foreign minister of France. In November 1950 he proposed the Schuman Plan, which was the catalyst for European integration. Between 1958 and 1963, Schuman served as a member of the European Assembly, the forerunner of the European Parliament.

The Cold War, the United States, and European Integration

The United States influenced European integration in the 1950s in a number of ways. The postwar period (especially 1947–1950) was crucial in institutionally linking the United States to Europe. On June 5, 1947, the United States announced the Marshall Plan (1948–1951). By insisting that Europe coordinate requests for Marshall Plan aid, rather than each country dealing bilaterally with the United States, the plan helped set the stage for European integration, “not least in the fostering of new modes of thinking.” Later, the United States provided strong support for both the Schuman Plan and the European Economic Community.

While the Marshall Plan linked the United States and Europe economically, Americans also became involved militarily. In April 1949 the Atlantic Pact was signed, and the North Atlantic Treaty Organization (NATO) was born. Through NATO the United States and Canada committed themselves militarily to European defense.

The European Economic Community

In May 1955 the Assembly of the ECSC asked the foreign ministers of the six members to draft new treaties to further European integration. The Treaty of Rome established the European Economic Community (EEC) and came into force on January 1, 1958.

The Treaty of Rome included a much wider range of economic arenas and modified the institutional structure of the ECSC in important ways. Unlike the ECSC, the EEC has remained at the core of the integration process. The close working relationship that gradually developed among the six countries operating within the ECSC transferred over into the EEC. The Treaty of Rome called for the creation of a common market—the free movement of people, goods, services, and labor—among the six signatories.
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It called for a common agricultural policy (included in order to convince the French parliament to ratify the treaty). It also called for measures to move the EEC beyond a mere common market. It embodied both economic and political objectives: "Whilst the Treaty of Rome is virtually exclusively concerned with economic cooperation, there was (and remains) an underlying political agenda. There is no doubt that its architects saw it . . . as another step on the road to political union."6

The Expansion of Europe

- Since the formation of the Common Market, the membership has grown from six to twenty-seven. In the 1960s the UK finally applied for membership in the EEC. After two vetoes by France’s President De Gaulle, the UK, Ireland, and Denmark (for whom the UK was a key trading partner) finally joined in 1973. This happened after Georges Pompidou replaced De Gaulle as president of France. Norway had also applied and been accepted, but its electorate rejected membership in a referendum in 1972. In 1981 Greece joined, and in 1986 Spain and Portugal did the same. The accession of all three was viewed as consolidating their transition to democracy and as widening European integration to the Mediterranean.
- In 1995 Austria, Sweden, and Finland joined; Norway’s electorate again refused accession in a referendum.
- On May 1, 2004, ten new countries—Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia—joined the EU in what is referred to as the “big bang enlargement.”
- Bulgaria and Romania joined in 2007.

In addition, the EU made it clear that the EU map would not be completed without all the Balkan countries. Croatia is supposed to join in the next few years, as are Macedonia and Serbia. More controversially, Turkey was also recognized as a candidate country in 1999, and accession negotiations began in 2005. However, the problems raised by the ratification process of the Lisbon Treaty have put further enlargement in jeopardy. Key countries such as France and Germany have argued that enlargement should be placed in abeyance until a way is found to streamline the overall decisionmaking process.

The Single European Act

In 1985 the member states decided to amend the Treaty of Rome, and the Single European Act (SEA) came into force in 1987. The SEA changed the decision rules for legislation creating the internal market from unanimity to qualified majority voting. (A qualified majority is a supermajority, requiring more votes for approval than does a simple majority.) A single national government could no longer veto legislation for the creation of the market. Furthermore, the SEA increased the powers of the European Parliament and increased the EC’s powers on environmental protection issues.

The adoption of a single market was a milestone in the history of European integration. It was as important as the interstate commerce clause in the U.S. Constitution. Just as that clause undergirded the growth of federal power in nineteenth-century America, the single market represented a major step in European integration and the power of the EC institutions.

A single market minimizes nontariff barriers. Such barriers are often tied to cultural traditions, which means that overriding them can be politically sensitive. By examining barriers from the perspective of whether they inhibit exports to a certain country, the single market opens to scrutiny institutional arrangements in both the public and the private sectors. Germany could not exclude beer made in an “un-German” way, Italy could not exclude pasta made with “foreign” wheat, and so forth.

The creation of a truly European market was above all a project of regulatory reform—national deregulation combined with re-regulation at the EC level. The EC strengthened market forces to improve the ability of European firms to compete globally. Regulation was implemented by Brussels, rather than at the national level. The EC set up regulatory agencies—such as the European Agency for the Evaluation of Medicinal Products to regulate pharmaceuticals—that complement national regulatory frameworks. Furthermore, environmental regulation is increasingly concentrated at the EC level. The European Commission exercised its powers in the area of competition policy (which covers antitrust and state aids) much more aggressively.7 Protected markets, such as those in the telecommunications and air transport sectors, were gradually liberalized (so that phone calls and intra-European air travel became far cheaper than they had been). Economic integration gradually eroded or
eliminated such protectionist policies. By the late 1990s, the EC’s regulatory reach was so important that some analysts considered it a “regulatory state.”

The Maastricht Treaty

Analysts generally viewed the single market of the late 1980s as a success. Business investment climbed, and Europe enjoyed a new sense of economic optimism. Under these circumstances an initiative to move to a European central bank and a common currency as an extension of the single market attracted support.

While that effort was under way, the Berlin Wall fell in November 1989. German unification, once barely considered, now became a reality (see Chapter 7). A new Germany was on the scene. Would it continue to face westward—toward Brussels—or would it face toward the East? What role would the new Germany play in a Europe fundamentally changed by the end of the Cold War? How could Europe “contain” this economic powerhouse, which had just added more than 16 million inhabitants? These questions were especially pressing, as the problems—and especially the huge costs—associated with German unification were still unacknowledged by most observers.

One response was a new version of the old “German question.” Europe moved toward a new treaty that would bind Germany even more firmly to the West by further tying German institutions to those of the EC. The result was the Treaty of European Union (TEU), usually referred to as the Maastricht Treaty, after the small Dutch town in which the final negotiations took place in December 1991.

The Maastricht Treaty came into effect in November 1993. It was another milestone in the history of European integration. It moved the process of European integration into two critical new policy areas, as well as entrenching the EC’s pivotal role in monetary policy. The acquis communautaire—all the accumulated laws and judicial decisions adopted since the signing of Treaty of Rome—belong to the first pillar. For example, the single market, agriculture, environmental policy, regional policy, research and technological development, consumer protection, trade policy, fisheries policy, competition policy, and transportation policy all fall under pillar one.

Pillar One: The Extension of the Treaty of Rome

Pillar one, as defined by Maastricht, encompasses Economic and Monetary Union (EMU)—including a new European Central Bank and a common currency (the euro), as well as incorporating all the monetary policy areas previously under the EC’s jurisdiction. The acquis communautaire—all the accumulated laws and judicial decisions adopted since the signing of Treaty of Rome—belong to the first pillar. For example, the single market, agriculture, environmental policy, regional policy, research and technological development, consumer protection, trade policy, fisheries policy, competition policy, and transportation policy all fall under pillar one.

Decisionmaking procedures within pillar one are firmly rooted within the traditional EC institutions, while expanding the Parliament’s decisionmaking power. Pillar one policy areas fall under the jurisdiction of the institutional machinery of the European Commission, the European Parliament, the Council of Ministers, the presidency, the European Court of Justice, the European Council, and the new European Central Bank. Under Maastricht, however, the UK and Denmark could opt out of the common currency as well as several other provisions if they so wished. In September 2000 the Danish public voted against adopting the euro, and in 2003 Swedish voters also rejected the euro in a referendum. In general, pillar one includes everything that the “old” EC included, plus the new European Central Bank and the euro for those countries that joined the Eurozone.

Pillars Two and Three: An Intergovernmental Compromise

Pillars two and three expanded the scope of the EU by encompassing policy areas that had been outside the scope of European integration. Pillar two refers to Common Foreign and Security Policy (CFSP), and pillar three refers to Justice, Freedom and Security (internal security). The institutional structures
governing pillars two and three differ from those of pillar one. In both pillars the Council of Ministers, rather than the Commission, was primarily responsible for action, unanimous voting was required, the Parliament was largely excluded, and the European Court of Justice did not exercise jurisdiction.

The fact that the Council of Ministers, rather than the European Commission, was the key institution represented a compromise. On one side were those countries that favored a more “federal” model of integration and therefore supported giving the Commission powers in these areas. On the other side were those governments (the UK and France) that were worried about sovereignty. Pillars two and three therefore were brought within the process of integration, but were governed by the European Council and the Council of Ministers, the most intergovernmental institutions within the EU’s institutional framework.

**Treaty of Amsterdam**

The Treaty of Amsterdam came into effect in 1999 and significantly changed the policy and institutional landscape established by the Maastricht Treaty. First, most issues of pillar three were placed within pillar one. This significantly strengthened the policy reach of the Commission and the influence of the European Court of Justice. The treaty also enhanced the power of the Commission president vis-à-vis the other commissioners. Second, the treaty increased the power of the European Parliament by both simplifying and expanding the use of co-decision in a wide range of issue areas. Third, the powers of the EU in several policy areas—including public health (which is critical to the European welfare state) and foreign and security policy (both of which are very sensitive for national sovereignty)—were enhanced. Public health is firmly under the EU’s institutions in pillar one, while the CFSP is firmly in intergovernmental pillar two.

The transfer of most policy areas within the “old” pillar three to pillar one was a very significant step in the process of European integration. Experts traditionally viewed internal security as absolutely central to national sovereignty. In the post-Amsterdam period, issues such as asylum, immigration, and judicial cooperation in civil matters came within the Commission’s policy remit and the jurisdiction of the European Court of Justice, with some restrictions. In Maastricht, the member states had given up their sovereignty in monetary policy by accepting the euro, but they had been very reluctant to “Europeanize” internal security. Spurred by the dismantling of internal border controls in the expanding Schengen area and by the common need to deal with immigration into the EU, the member states agreed to “pool” their sovereignty in the area of Justice, Freedom and Security (in the United States, the Department of Justice is concerned with most of the same issue areas). Intergovernmental pillar three of the Maastricht Treaty was widely viewed as a failure. Thus, the Treaty of Amsterdam signaled the new willingness of the member states to be more effective by bringing it under the Commission’s umbrella.

In a similar vein, in October 1999 the member states agreed to numerous initiatives to further integration in this extremely sensitive area. Only two policy areas—police cooperation and judicial cooperation in criminal matters—remain within the “new” pillar three after Amsterdam, and, even here, the member states were willing to be less intergovernmental. The European Court of Justice was completely excluded in the old pillar three, but has a limited role in the post-Amsterdam pillar three. Furthermore, the Commission, as well as the member states, has the right of initiative in all matters falling under pillar three. This is an expansion of the role of the Commission. Some convergence of criminal legislation is now possible, so some analysts viewed Amsterdam as contributing “towards creating a common European criminal law.” The European Police Office (EUROPOL), originally set up by the Maastricht Treaty, has stronger powers and a more operational role. Eurojust was created in 2002; this body brings together judges and prosecutors from the member states with the purpose of increasing the coordination of investigations.

Finally, in reaction to the September 11, 2001, terrorist attack on the United States and the March 11, 2004, terrorist attack on a Madrid train station, the EU further strengthened its role in the area of Justice, Freedom and Security. The member states created a European Arrest Warrant to make the arrest and extradition of fugitives within the EU more efficient and appointed an EU antiterrorism “czar.” In 2005 the EU also set up its own European Police College (CEPOL), located in England, to provide seminars and courses for senior police officers. However, the EU has not created a European version of the U.S. Central Intelligence Agency (CIA). Intelligence gathering remains a strictly national function, but now national intelligence agencies cooperate a great deal more than in the pre-2001 period.
The Amsterdam Treaty enhanced the powers of the EU in the area of the CFSP. Institutionally, the secretary-general of the Council of Ministers was also appointed as the high representative for the EU Common Foreign and Security Policy (“Mr. CFSP”). Javier Solana, widely respected in his previous posts as secretary-general of NATO foreign affairs minister of Spain, was appointed to that position when the Treaty of Amsterdam came into effect.

The Treaty of Nice

The Treaty of Nice, the fourth revision of the Rome treaties, entered into force on February 1, 2003. The treaty prepared the EU for its enlargement to Central and Eastern Europe. In particular, the treaty streamlined decisionmaking in the EU’s institutions. Making decisions with twenty-five (and then twenty-seven) countries would be much more difficult than with fifteen countries. Streamlining decisionmaking, however, necessarily changes the distribution of power within the institutions. In particular, the small states, which had historically been overrepresented in the EU’s institutions, fought to keep their privileged position. The large states argued that, since enlargement would add so many small states to the Union, maintaining the privileges of small states would lead to an unbalanced EU, in which the populous member states would lose their appropriate role. The members reached a final deal in the early morning hours of the last day of the Nice European Council in December 2000.

In addition to finding a compromise between the demands of the small and large member states (in which the small states did relatively well), the Treaty of Nice introduced some important changes. Institutionally, it allowed each member state to appoint only one commissioner (previously, the larger member states had appointed two commissioners). Second, it introduced qualified majority voting in choosing the president of the Commission and increased the office’s power vis-à-vis other commissioners. Third, there was a new weighting of votes in the Council of Ministers (that weighting represented the concrete results of the compromise between the large and small states). Fourth, qualified majority voting (as opposed to unanimity) was extended to roughly thirty new policy areas. It strengthened the EU’s role in the area of security and defense and created a new Political and Security Committee (PSC). Irish voters rejected the Nice Treaty in a referendum in 2001, but they subsequently accepted it in a 2002 referendum.

Failure to Launch and the Treaty of Lisbon

Between February 2002 and July 2003, a Convention for the Future of Europe drafted a constitutional treaty to make the working of the EU institutions more efficient in light of the upcoming Eastern enlargement and also to make the EU more democratic by increasing the role of its directly elected Parliament. The twenty-five governments of the member states agreed to the final version of the treaty in 2004. However, the apparent constitutional nature of the treaty made it necessary to submit it to popular referendums in some of the member states. The French and Dutch voters rejected it in 2005. The rejection partly reflected the internal political dynamics of France and the Netherlands, but it was also the product of the national governments’ habit of blaming the EU for many unpopular—albeit often necessary—measures.

The rejection of the constitutional treaty sent shock waves throughout the EU. After a “pause of reflection,” the member states again attempted to reform the EU. The negotiations were sometimes acrimonious. For instance, the Polish government claimed that its demands for adjustments to the voting system in the Council of Ministers were “worth dying for” and even demanded voting rights for its war dead.

The result was the Treaty of Lisbon, signed in Portugal’s capital in December 2007. This treaty essentially incorporated the constitutional treaty rejected by the voters, discarding the most obvious symbols of sovereignty for the EU (such as a national anthem, a motto, and a flag). The main thrust of the treaty was to simplify the operation of the EU institutions and at the same time to make them more democratically accountable. With the exclusion of the CFSP, all policy areas would be brought into pillar one, and the co-decision legislative procedure—in which the Parliament was essentially the equal of the Council of Ministers—would be extended to most policy areas. Even in an area as sensitive as Justice, Freedom and Security, the policies that the Amsterdam Treaty left out of pillar one would be brought into it, thus completing the trajectory that had started with the Maastricht Treaty.

European citizens would acquire the power of initiative: At least a million voters could ask the Commission to take a specific initiative. Importantly, Parliament would also become the coequal of the Council of Ministers in budgetary decisionmaking. The treaty would simplify decisionmaking within the European Commission by limiting the number of
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commissioners to two-thirds of the number of member states. It would also extend qualified majority voting in the Council of Ministers to a number of new policy areas and would introduce (to be implemented from 2014 on) a new voting system whereby decisions in the Council of Ministers would be approved if supported by 55 percent of the member states representing at least 65 percent of the EU population. Alongside the rotating presidency of the European Council and the Council of Ministers, the treaty would create the position of president of the European Union, elected by the European Council by qualified majority vote. Moreover, the treaty would establish a position that essentially would amount to that of a foreign affairs minister of the EU. The new high representative of the EU for foreign affairs and security policy would merge the preexisting positions of high representative for CFSP and of European commissioner for external relations.

The Lisbon Treaty would also make the Charter of Fundamental Rights legally binding for the member states. However, the UK and Poland would be given an exception so they would not be legally bound by it, the former because it feared it might weaken the operation of the free market and the latter because it feared it might force Poland to accept gay marriage. The UK and Ireland would also have “opt-outs” with regard to policies for immigration, visas, and external borders.

However, in June 2008 Ireland, the only country where it was subject to a popular vote, rejected the Lisbon Treaty. The treaty must be ratified by every one of the twenty-seven member states before it can enter into effect. The Irish vote put the entire ratification process in disarray. In the months following the rejection, the Irish government secured from the other governments a set of guarantees that Irish sovereignty would not be reduced in key areas valued by Irish voters, such as neutrality or abortion. A new referendum will probably take place in late 2009.

THE INSTITUTIONS

The institutional structure of the EU is based on the complex divisions represented by different institutions in different policy areas (see Figure 12.2). The sophisticated policymaking process normally associated with the EU resides in pillar one. This includes key policymaking institutions such as the European Commission, the Council of Ministers, the European Parliament, the European Council, the European Court of Justice, and the European Central Bank. The European Council and the Council of Ministers also have jurisdiction over pillars two and three.

Whereas the other institutions all interact with one another, the European Central Bank (located in Frankfurt, Germany) is very independent from all the other institutions. However, Justice, Freedom and Security within pillar one still excludes the Parliament. The European Commission, Council, and Parliament are the central policymaking actors in areas such as immigration, visa policy, and asylum policy. In pillars two and three, the European Council and the Council of Ministers are the key institutional actors.

The European Commission

The European Commission, located in Brussels, is the EU’s most visible institution in day-to-day policymaking. Its institutional mission within the EU is to promote integration. Toward that end the Commission is made up of the College of Commissioners, the decisionmaking body within the Commission, and civil servants that do the important technocratic work typical of all bureaucracies. The College of Commissioners is the political (although not in a partisan sense) component of the Commission, while the civil servants are the administrative sector. The term Commission is used in the press to refer to the civil servants, the College, or both.

The Commission is composed of twenty-seven commissioners who collectively make up the College of Commissioners. Each commissioner is appointed by the head of a member state, but once appointed, the commissioner is able to act independently of his country’s national government. A commissioner does not take instructions from the national government and can operate quite autonomously. That independence gives the Commission as a whole its supranational authority and power.

Each commissioner serves for a five-year term and can be reappointed if the national government so wishes. Each has one vote. Each is in charge of certain policy areas (environment, trade, external relations, agriculture, research and technology, transport, or telecommunications, for example). When they meet collectively every Wednesday, they are known as the College of Commissioners.

The president of the Commission is the most important commissioner; the Treaty of Amsterdam and the Treaty of Nice enhanced his influence within the
Commission. In the post-Nice era, the European Council nominally chooses the president by qualified majority voting. However, in June 2004 the European Council selected by consensus the current Commission president, Jose Manuel Barroso of Portugal. The reliance on consensus, rather than qualified majority voting, acknowledged the political reality that a Commission president would be ineffective if one of the large member states opposed his appointment. (In fact, Barroso was selected after one or more of the large member states in effect vetoed other candidates.) The European Parliament then must approve
the European Council’s nomination. Typically, a president from a small country succeeds one from a large country (Barroso is from Portugal, a small country, while his predecessor, Romano Prodi, was from Italy, a large country). Strong Commission presidents leave an imprint: Walter Hallstein, the first president, and Jacques Delors (1985–1995) both led the Commission in ways that increased its profile and prestige. Commission presidents, however, are constrained by the fact that they do not appoint their fellow commissioners and have relatively little formal control over them. Even Jacques Delors at the height of his power and prestige was unable to convince some governments to reappoint commissioners he wanted to return to the Commission.

The Treaty of Nice, however, strengthened the president’s hand to some extent. For example, the president may now request a member of the Commission to resign after obtaining the approval of the College. Jose Barroso, the first Commission president in the post-Nice era, took advantage of his newly strengthened position to give desirable portfolios to small countries. The fact that France, traditionally a very influential country in the EU, was given responsibility for transport, rather than a more prestigious assignment, was a sign that President Barroso would not be shy about using the new powers of the Commission president.

Nonetheless, the role of the president of the Commission is not similar to that of a prime minister. The Commission president is not accountable to the European Parliament in the way that a national prime minister is responsible to a national parliament. The president is appointed by the national governments, rather than being elected, whereas prime ministers are elected. In a similar vein, the Commission is not a “government” in that it is not selected by either the voters (as is the president of France) or the legislature (as are prime ministers).

The Commission has a number of important powers, but its most pivotal power is contained in pillar one: It is the only institution that can propose legislation in pillar one. Neither the Council of Ministers nor the European Parliament can initiate legislation. The Commission’s monopoly over policy initiation is one of its most important formal powers. Although the initiation power is limited by the Parliament’s power to ask for a legislative proposal, the fact that the Commission drafts the proposal gives it important leverage in the legislative process. This power enables the Commission to shape the policy agenda.

The Commission also manages the EU’s budget, is involved in external relations, monitors the application of EU law in the member states, and generally makes the arguments and proposals necessary to promote further integration.

The College of Commissioners decides by majority vote which proposals for legislation to send to the Council of Ministers and the European Parliament. The College can also decide to take antitrust action (without the approval of the Council of Ministers) and can argue cases before the European Court of Justice.

The Commission’s bureaucracy, although very small in comparison to national bureaucracies, is the most important administrative component of the entire EU and is key to the Commission’s ability to promote the process of integration. Sometimes known as Eurocrats, officials who work for the Commission are multilingual and highly educated. They typically receive their position after passing a competitive examination. They do the initial drafting of the legislation (which the College then approves) and are present at the negotiations within the Council of Ministers on all proposals from the College of Commissioners. Commission officials are emphatically not the functional equivalents of international civil servants, such as officials who work for global international organizations such as the United Nations. Commission officials are viewed as having much more authority when dealing with national officials than are traditional international civil servants.

The operations of its civil servants allow the Commission to play a complex role. Commission officials often operate very effectively behind the scenes. They consult with a wide variety of interest groups and often receive complaints about noncompliance with EU laws from citizens in the member states.

Fundamentally, the Commission promotes European integration and provides the administrative resources absolutely essential for policymaking in a system as complex as the EU. Without the Commission the EU would not have an administrative apparatus.

The Commission is at the heart of the EU because of its centrality in defining problems and formulating policy, its access to significant administrative resources, and its links to a variety of groups throughout the EU. However, in recent years its centrality in EU policymaking has suffered significantly. This is due to the lackluster performance of the Commission presidents, the rise of new actors in the European policymaking process (notably the European Parliament; see below), and the assertiveness of the member states.
Thus, for instance, the response to the economic and financial crisis that began in 2008 was managed by the individual member states, while the Commission was largely sidelined.

The EU has a policymaking body not directly controlled by the member states and able to wield important influence. This clearly distinguishes the organization from all other international bodies. The Commission as an institution symbolizes that supranational dimension within European integration that Jean Monnet so vigorously promoted.

The Council of the European Union (Council of Ministers)

The Council of the EU is usually referred to as the Council of Ministers. It adopts EU legislation and develops the budget along with the Commission and the Parliament. It is the top decisionmaking body. Its decisions, often made in conjunction with the European Parliament in pillar one, become EU law. Its members are ministers from national governments. If a national government loses an election, the ministers from the new government immediately participate in the Council’s decisionmaking process.

The Council of Ministers, as the EU’s main legislature, is a more powerful decisionmaker than either the Commission or the Parliament. It, rather than the Parliament, formulates the EU’s trade policy and is the dominant actor in the area of Justice, Freedom and Security. Above all, it adopts EU legislation that is then incorporated into national legal codes. It does not, however, participate in the formation of the Commission and cannot dismiss it.

Technically speaking, there are nine Councils of Ministers, and the term Council of Ministers is applied to each sectoral council. Each council is composed of the relevant ministers from each of the member-state governments (or someone delegated to represent them). Hierarchically, the most important is the General Affairs and External Relations Council (GAERC), which brings together the foreign affairs ministers. The GAERC deals with external relations and with horizontal matters, such as the coordination of decisions and the preparation of and follow-up with the European Council, as well as institutional and administrative questions. The GAERC meets at least once a month. Other councils also meet frequently, reflecting the fact that the EU is more active in certain policy areas than others. For example, the Council of Agriculture and Fisheries meets at least once a month, whereas the Council of Environment Ministers meets once formally and once informally within every three-month period.

All ministers operating within a council do not carry the same weight, as they have unequal voting power. In a similar vein, not all councils are equal in significance. Although the most important is the GAERC, finance ministers are constantly competing with foreign ministers for influence. In pillar one the Council of Economic and Finance Ministers (especially the Euro-Group) comes next in the hierarchy of influence. The Justice, Freedom and Security Council became important after the Maastricht Treaty came into effect and is now a key council in both pillar one and pillar three.

The Council of Ministers is the EU institution in which national interests are represented, defended, and ultimately compromised in the interest of reaching agreement. It is a “club” in the sense that the participants understand that ultimately compromises will have to be made by everyone and acknowledge that the Council of Ministers is not a traditional international organization. Although each council zealously guards its prerogatives and keeps a close eye on activities to ensure that the Commission does not encroach on its territory, it must be emphasized that the Council of Ministers is very much an EU institution. While it represents national interests, it does so within the framework of European integration. Member states, by operating within the framework of the Council of Ministers, accept an institutional framework that leads to a collective—rather than a unilateral—decision. By participating in the Council of Ministers, national governments give up the maneuverability and autonomy that are implicit in national (unilateral) decisionmaking. It is for that reason that “Euroskeptics” argue that participation in the EU means giving up sovereignty—defined as the ability to make unilateral decisions.

In contrast, the power of the Council of Ministers ensures that the EU always adopts legislation that meets with the approval of most or all of the member states’ governments. The EU does not impose legislation on national governments—they adopt the legislation themselves in the Council of Ministers (and in many areas in partnership with the European Parliament). Opposition parties in national parliaments, however, do not have access to Council of Ministers meetings, so the EU enhances the power of those political parties that are in government at the national level.

The Council of Ministers plays a stronger role in pillars two and three than it does in pillar one. In pillar
one the policymaking process gives important roles to both the Commission and the Parliament (the latter, however, is excluded from Justice, Freedom and Security even in pillar one), and the European Court of Justice can be central. The Commission plays a smaller role and the Parliament has no role in the policymaking process within pillars two and three.

The culture of the Council of Ministers is based on negotiation and is predisposed toward finding agreement: The whole system depends on a crucial assumption that there is give and take between the positions of the member states and that, whatever the starting positions of the members, there is both scope for those positions to evolve and a predisposition to find agreement. Thus, atmospherics, mutual confidence, and trust are important ingredients.

The member governments, acting within the Council of Ministers, are engaged in an institutional process that is unlike that of any other legislative body in the world. Multinational, bound by EU rather than international law, and (in pillar one) engaged in important relationships with the European Commission and the European Parliament, the Council of Ministers “locks” national ministers into an ongoing cooperative venture that includes a shared and enlarging policy agenda. It is that “locking” effect that helps ensure that national officials do not decide to act unilaterally, rather than multilaterally.

Although some analysts view the Council of Ministers as blocking further integration, other attempts at regional integration throughout the world highlight the importance of having national ministers involved in the nitty-gritty of policymaking at the European level. The Council of Ministers, in essence, is the guarantor of European integration in that national governments must participate in it and cannot ignore it. Without the Council of Ministers, the actions of the Commission and the Parliament could conceivably be ignored by national governments, but their membership in the Council of Ministers helps ensure that these national governments address the issues proposed by the Commission.

The European Council

The key strategic institution within the EU is clearly the European Council. Strictly speaking, it does not form part of the Council of Ministers hierarchy, but it is closely linked to it. The European Council does not adopt legislation, leaving that to the Council of Ministers. Instead, it sets out the key guidelines for action and future development. Prime ministers (the president in the case of Cyprus, France, and Finland), foreign ministers, the Commission president, and another designated commissioner attend the European Council. The foreign ministers provide the institutional continuity between the Council of Ministers and the European Council.

The European Council meets formally four times a year in “summits” held in Brussels since the 2004 enlargement. (If a presidency decides to organize an informal summit, it can organize it wherever it wants.) These meetings receive far more publicity than do meetings of the various sectoral councils and may well symbolize the European Union for the average citizen.

The European Council usually operates through unanimity even when it is not required to do so. The European Council now “occupies a position at the apex of the EU’s institutional system, overseeing the work of each of the three pillars, and the specialized sectoral Councils which operate therein. It monitors their work, sets framework principles to guide their future deliberations, takes or clears major political decisions, and frequently engages in trouble-shooting.” It is the European Council, for example, that decided key issues such as whether enlargement to Eastern Europe would occur, when it would occur, and whether Turkey could begin accession negotiations.

Representatives of the member state government holding the presidency of the European Council and the Council of Ministers chair the European Council and the Council of Ministers. Every six months the presidency of the EU rotates so that each member government has the powers of the presidency in both the European Council and the Council of Ministers. The head of state or government of the country holding the presidency, along with the Commission president and the high representative for foreign and security policy of the Council of Ministers, represents the EU at summit meetings with non-EU leaders. For example, in the second half of 2008 France held the presidency, and in summer 2008 French President Nicolas Sarkozy met with Russian Prime Minister Vladimir Putin to broker an agreement to stop hostilities between Russia and Georgia. Most burdensome perhaps is the fact that officials representing the member state government holding the presidency chair all of the hundreds of meetings that go on in the Council of Ministers.

Finally, the European Council controls the agenda and negotiations of the Intergovernmental Conference (IGC), which is called to revise treaties.
The most difficult compromises are made at the IGC—the Single European Act, the Maastricht Treaty, the Treaty of Amsterdam, the Treaty of Nice, and the Lisbon Treaty were all agreed to at the end of negotiations by the European Council. Only prime ministers (accompanied by their foreign ministers) or heads of state have the political power necessary to make concessions that are very difficult for national governments to accept, but that are critical for the success of negotiations.

**The European Parliament**

The European Parliament is the only supranational assembly in the world whose members are chosen by voters, rather than by governments. The European Parliament is also the only parliament in the world with two homes (see Box 12.2). Its 785 members serve five-year terms congruent with the commissioners’ five-year terms. **Members of the European Parliament (MEPs)** are elected at the same time across the EU, but each country uses its own electoral system (a uniform EU electoral system does not yet exist). Because of the disproportionate influence of small countries in the EU (discussed later), members represent constituencies vastly different in size.

When the ECSC was formed, the Parliament was originally located at Strasbourg. The city is still the official seat of the Parliament, even though the building that houses it now stands empty for 300 days a year. Most of the Parliament’s work has gradually moved to Brussels, where the other EU institutions are. France, however, insists that some of the work be done in Strasbourg, even adding a protocol to the 1997 Amsterdam Treaty to that effect. The Parliament and the member states (and in particular, France) have repeatedly locked horns on the issue. MEPs have often tried to end this cumbersome arrangement, even launching a petition of European voters to stop the circus. However, the final decision rests with the member states, and it is therefore likely that the circus will not end anytime soon.

Turnover is very high after each parliamentary election. In the last elections (2004), 43 percent of the elected MEPs from the 15 pre-enlargement countries were newcomers. This compares to less than 15 percent who were newcomers after recent elections to the U.S. Congress. Some MEPs continue on to distinguished careers in national politics, especially in France (where ten of the sixteen prime ministers and four of the six presidents in the Fifth Republic were MEPs). Roughly 30 percent of the MEPs in the 2004–2009 Parliament are women, with the highest proportion in the Swedish delegation (58 percent) and the lowest in the delegations from Malta and Cyprus (none).

The Parliament argues that as the only directly elected European institution (it became directly elected in 1979), it is closer to the citizens of Europe than either the European Commission or the European Council. Thus, the Parliament has pressured, coaxed, threatened, and in general become an important presence on the political scene. Since the Treaty of Amsterdam went into effect in 1999, it has strongly influenced most legislation falling under pillar one. The Treaty of Nice further reinforced the Parliament’s role of co-legislator with the Council of Ministers. The Parliament can only ask the Commission to draft proposals, rather than initiating its own draft proposals. However, in those areas in which it has jurisdiction, the Parliament can offer amendments that can substantially change the proposal.

**A Traveling Circus?**

The European Parliament’s members “migrate” between Brussels in Belgium (which is effectively the capital of the EU, as most of the key EU institutions are located there), where it meets most of the time, and Strasbourg in France, where it meets for twelve sessions per year. This “transhumance” or “traveling circus” as the many critics of this arrangement call it costs 200 million euros per year (15 percent of the operating costs of the EP) and involves the use of fifteen trucks to shuttle files between the two locations, with a significant impact in terms of CO₂ emissions. The problem is further increased by the fact that the European Parliament’s Secretariat is in yet another location (Luxembourg).
offered by both the Commission and the Council of Ministers. In recent years the Parliament had about 80 percent of its amendments accepted by the Council of Ministers. This indicates that it is effective in shaping legislation.\(^8\)

The Parliament controls (within limits) so-called noncompulsory spending. This includes spending not directed toward agricultural support or based on international agreements with third countries. The proportion of noncompulsory spending as a percentage of the total budget has increased over time. Currently, it is over 50 percent. In fact, the granting of budgetary authority to the Parliament in 1975 was a key step that has undergirded the subsequent increases in parliamentary power.

The Maastricht Treaty strengthened the Parliament’s formal powers, and the Amsterdam, the Nice, and (if it is ratified) the Lisbon treaties further extended the co-decision procedure for legislation. The Parliament’s co-decision power allows it to stop legislation that it does not want, even if the Council of Ministers unanimously supports it. In cases in which the Parliament and the Council of Ministers approve different versions of a piece of legislation, conciliation talks are held to try to agree on a compromise. If such talks fail, the legislation dies.

Parliament also has the right to approve the president of the Commission, as well as giving a formal vote of approval of the College of Commissioners as a whole. Finally, it approves the president of the European Central Bank. The Parliament must assent to certain international agreements, including accession treaties and association agreements.

Most of the Parliament’s work is done in committee. Each committee can decide whether its work will be done in public view or in closed session. Committees in most national parliaments work in closed session, but most European parliamentary committees now work in public. Each MEP is a full member of at least one committee. Final parliamentary approval has to be granted in plenary sessions, and at times committee recommendations are overridden in the plenary sessions.

**The European Court of Justice**

The European Court of Justice (ECJ, renamed the Court of Justice of the European Union by the Lisbon Treaty) is located in Luxembourg. It is a powerful supranational institution that makes law through judicial review. The ECJ is composed of one judge from each member state (chosen by the national government). Judges serve renewable six-year terms of office. They elect one of the sitting judges as president. The ECJ established the Court of First Instance in November 1989. That court has a more limited jurisdiction and cannot hear what might be termed constitutionally important cases.

The ECJ is often the arbiter in disputes between an individual member state and the Commission. It also handles interinstitutional disputes—for example, between the Commission and the Council of Ministers. Individual citizens can bring cases before these courts only if an EU action directly harms them. It is typically easier for a firm to claim such harm than for a noneconomic actor. Nongovernmental groups such as environmental organizations do not have easy access to the ECJ. Since the Treaty of Nice, the European Parliament can also bring a case to court. The ECJ has jurisdiction over issue areas falling within pillar one, as well as very limited jurisdiction in pillar three.

Most of the ECJ’s cases come from national courts asking for a preliminary ruling. The national court then takes the ECJ’s preliminary ruling and delivers it as its own opinion. Therefore, national judges are an important factor in developing the effectiveness of the EU’s legal order.

Initially established as an international court operating under the constraints of international law, the ECJ rather quickly began to represent the “European interest” in its own right. After the Treaty of Rome went into effect, the ECJ “constitutionalized” the international law under which it was operating. Rather than simply becoming an international court with limited impact, it gradually evolved into a powerful body. In some striking, albeit limited, ways, it resembles the U.S. Supreme Court. Its influence in the policymaking process has led one scholar to conclude that “for many areas of European and national policy, knowing the position of the ECJ is as important as knowing the position of the member states and national interest groups.”\(^9\) The Court performs an important role in the policymaking process, as we discuss later.

**The Single Currency and the European Central Bank**

Economic and Monetary Union (EMU) had been discussed since the late 1960s, and the Maastricht Treaty finally established a timetable and made a serious commitment to move ahead. The EU established a single currency and a European Central Bank in
1999, and citizens began using the common currency (the euro) in January 2002.

The political dynamics behind EMU were clear to political elites, but difficult to explain to the general public. Under the previous European Monetary System (EMS) established in 1979, currencies were allowed to fluctuate only within an agreed-upon range. The German Bundesbank was the dominant decisionmaker. The German currency, the Deutsche mark, became the “anchor currency.” That is, when the Bundesbank raised interest rates, the other EMS members had to follow in order to keep their currencies within the range to which they had agreed. When such a need arose during a recession, this had a harmful impact on national economies. The high interest rates in a recession exacerbated high unemployment and therefore were very painful.

The high cost of German unification led the German Bundesbank to raise interest rates while many other EMS members were in a recession. The French and the Italians in particular realized that they needed to gain a voice in European monetary policy. To do so, they had to give up their own monetary sovereignty (largely illusory in any case because of the dynamics of the EMS) and convince the Germans to do likewise. This would occur within the framework of a European central bank in which each member state’s central bank would have equal representation.

Although the Bundesbank was reluctant to embrace EMU, Chancellor Kohl was anxious to show that unification was not leading Germany away from the EU and agreed to economic and monetary union. The decision over EMU fell within the “Chancellor’s prerogative.” That is, the ultimate decision about EMU was the chancellor’s. The Maastricht Treaty embodied that agreement. The German government, however, insisted on certain conditions in order to ensure that the new currency, the euro, would be as “strong” a currency as the Deutsche mark, which the Germans were to give up. In particular, the European Central Bank was to have price stability (rather than, for example, low unemployment or high rates of economic growth) as its primary objective. Countries were not allowed to join EMU unless their deficits were at 3 percent of GDP or lower.

Years of brutal budget cutting were required for many countries (such as Italy) to qualify. In 1999 eleven countries joined what became known as the Eurozone; the UK, Sweden, and Denmark stayed out. Greece joined in 2001, Slovenia in 2007, Cyprus and Malta in 2008, and Slovakia in 2009.

NATIONAL GOVERNMENTS AS ACTORS

As already indicated in our discussion of the EU’s institutions, national governments play a key role in the EU’s policymaking process. Their influence is felt directly in the Council of Ministers and through the power of appointment in the European Commission and the European Court of Justice. Typically, the focus on understanding how and why national governments operate within the EU highlights the role of ruling parties and bureaucracies. National governments are able to defend their national interest in all the EU’s institutions in one fashion or another. The opportunity to defend one’s national interest has lubricated the path of integration for the member states.

The need to prepare the EU’s institutions for enlargement highlighted the disproportionate power of the small member states. This issue had not been the subject of controversy since the Treaty of Rome. As the negotiations proceeded for the Treaty of Nice, the disproportionality of size became the object of intense political conflict among the current member states. Simply put, the negotiations for the Treaty of Nice forced the question of which governments could adequately defend their national interests in the future. In addition to wielding disproportionate power within the EU, as indicated by Table 12.1, small countries have a formal status largely equal to that of the large countries in the European Court of Justice, the European Council, and the governing council of the European Central Bank. Given that many new small countries would join the EU through enlargement, the large member states in 2000 sought to redress the balance in the negotiations leading to the Treaty of Nice.
Politics in the European Union

The small states feared being “pushed around” by the large states and rejected many of the demands made by the four large states (France, Germany, Italy, and the UK). The last half of 2000 was filled with acrimony as the small states accused the large ones of trying to weaken the European Commission (which the small states view as an ally) in the name of efficient decisionmaking. They accused the large states of trying to make the EU more intergovernmental so that the large states would have more influence. The large states, for their part, adamantly demanded more power within the Council of Ministers (through a reallocation of voting weights) and wanted more representation in the European Parliament. Furthermore, they viewed their proposals for the Commission as strengthening it by making it more effective. In brief, the large member states wanted to ensure that the next enlargement did not privilege small countries even further. The small countries worried that if the large member states gained too much power, the EU would become more like an international organization (in which small countries fare very badly) and less like a federation (in which small subfederal units exercise disproportionate power, as in the United States). The small countries wanted the policymaking process to respect their wishes as it had since the Treaty of Rome. The final

<table>
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<tr>
<th>Member States</th>
<th>Number of Commissioners</th>
<th>Number of Votes in Council of Ministers</th>
<th>Number of Members of Parliament (MEPs)</th>
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<tr>
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<td>Spain</td>
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<td>Malta</td>
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TABLE 12.1
Distribution of Power in the EU
Small states wield disproportionate power in the EU
compromise gave the large states less power than they had desired, but nonetheless more than they had in the pre-Nice period. Poland and Spain (by exploiting their position as “medium-size” countries, as well as by engaging in very tough bargaining) gained an especially privileged position.

The issue of the appropriate balance between large and small states reemerged during the negotiations over the Constitution for Europe (which was actually a constitutional treaty). The final compromise, reached in June 2004, would have given the large member states more power than they had had under the Treaty of Nice, but less than they had desired. After the French and Dutch voters rejected the constitutional treaty, many of its provisions were adopted by the Lisbon Treaty (whose ratification is in doubt), but only after Poland engaged in a fierce fight for its voting rights in the Council of Ministers.

**POLITICAL PARTIES**

Political parties do not play the same role in EU politics as they do in the national politics of the European countries described in this book (see Chapter 3). On the one hand, political parties in national elections often do not offer alternative policies and analyses at the European level. In almost every member state, the focus of party competition in national elections continues to be domestic politics. Thus, while national elections may determine which party controls the government that chooses representatives to the European Commission and the Council of Ministers, the electoral debate seldom focuses on the EU policies of those representatives. Even direct elections to the European Parliament primarily operate as referendums on the domestic achievements and promises of the competing parties.

On the other hand, this inattention is encouraged because election outcomes do not directly determine the control of the EU’s governing institutions. Some observers argue that the control of at least some institutions should be politicized and made the object of European-wide political campaigns. For instance, based on the European Parliament’s existing power to approve the president of the European Commission, the Parliament elections could become elections for the president of the Commission, with European parties campaigning in support of their candidate for the job. This would follow the parliamentary model of many national governments within the EU.

This would also help create a truly European political sphere, with political divisions played out at the European level by European parties. As things are now, however, politics in the EU revolves more around broad territorial (national) divisions than the socioeconomic divisions of national party politics. The “left-right” division so pivotal in structuring political party positions at the national level manifests itself less often and in different ways in Brussels. Divisions on European integration crosscut the left-right cleavage at the European level, as both the left and the right blocs in the European Parliament are internally divided on how and how far European integration should proceed. Thus, it is mainly through national governments that political parties influence European affairs.

The histories of national political parties are not rooted in conflicts over European integration. Until voters in some member states became concerned with the impact of integration, parties did not address EU policy issues. Even after integration became more politicized, many major parties did not take clear positions on the issues they would face in the Council of Ministers. On the contrary, they cloaked their actions in the garb of national interest: “Instead of defending their participation in European regulatory decision-making on the grounds of fulfilling an electoral mandate, ruling parties have consistently defended such actions on the grounds that they have done their best to protect national interests, thus casting European politics as a zero-sum game between the member states.”

Nonetheless, parties are organizing a bit more extensively on the European level than they have in the past. In 1992 and 1993, all the major transnational party federations institutionalized themselves to a greater degree. Furthermore, the transnational federations meet right before the European Council meetings, so that prime ministers, members of the European Parliament, and commissioners from each of the leading political parties discuss EU issues. Whether and how quickly transnational parties will evolve is still an open question.

The issues with which the EU deals typically have a strong economic component that often manifests itself in technical issues not usually the subject of political discourse. That economic component is shaped by the Treaty of Rome and the Single European Act, both of which embody a certain model of economics. Expanding cross-border trade and competition and opening economies and markets are the EU’s key
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economic objectives. That model does not easily address political problems in the way that parties have traditionally done so in national contexts. Finally, much national party competition revolves around issues related to the welfare state. The EU does not directly legislate on welfare state issues, which means that a central element of national political party conflict is not even on the EU agenda.

Parliamentary Elections

Elections to the European Parliament differ from national parliamentary elections in a variety of ways. Most centrally, they do not influence government formation in the same way as do national elections in the member states. Turnout is higher in national (and sometimes even in subnational) elections. The large parties typically do better in national elections, while small parties do better in elections to the European Parliament. This indicates that citizens often just cast a protest vote in European Parliament elections. Worrisome for those concerned about the “democratic deficit” (discussed later in this chapter), in most countries the turnout for parliamentary elections has declined since the elections of 1979. The lowest turnout was in the 2004 elections, although with significant differences across the member states (see Figure 12.3).

European elections are described as “pale reflections of national elections.” There are dramatic cross-national differences in how many voters participated in the European Parliament elections in 2004; people in most new member states seem to be among the least interested in European-wide democratic participation.

Analysts often view national elections as “first-order” elections. Elections to the European Parliament are “second-order” elections because no actual executive power is at stake. Rather than focusing on European issues, elections to the Parliament often provide a forum for voters to express their support of, or discontent with, national parties. National cues, rather than the specific policies of the European Union, are paramount in shaping how voters cast their ballots.
Parties in the European Parliament

Within the EU's institutions, political parties are most visible in the European Parliament. Europe’s extraordinary cultural and political diversity appears in over 164 parties that are represented in the European Parliament. These parties combine into Political Groups that are the centers of power within the Parliament (see Figure 12.4). Seven Political Groups emerged after the 2004 parliamentary elections:

- **European People’s Party and European Democrats (EPP–ED):** Christian Democratic and Conservative parties
- **Party of European Socialists (PES):** most major socialist parties
- **Alliance for Liberals and Democrats for Europe (ALDE):** centrist free-market parties
- **Greens/European Free Alliance (Greens/EFA):** most of the major green parties
- **Union for a Europe of Nations (UEN):** Conservative non-Christian-Democratic parties, against further European integration (Euroskeptic)
- **European United Left/Nordic Green Left (EUL/NGL):** extreme left
- **Independence/Democracy (IND/DEM):** extreme right, against further European integration (Euroskeptic)

Each Political Group includes MEPs that share a political affinity and come from at least two member states. The groups set the parliamentary agenda and de facto choose the parliament’s president and fourteen vice presidents as well as the chairs, vice-chairs, and rapporteurs of the various committees.

Political Groups are organized not along national lines, but, just like in national parliaments, along ideological ones. They do not perform the same role as do parties in national parliaments. The appointment of the executive—that is, the Commission—is not formally determined by the Parliament. However, in 2004 Commission President Barroso came from the political group that had the largest number of seats in the European Parliament. The groups also do not influence the portfolios that the individual commissioners receive, nor do they influence the partisan coloring of the ministers in the Council of Ministers. National governments choose both the commissioners and the ministers in the Council of Ministers. To understand the difference between a party in a national parliament and a Political Group in the European Parliament, it is important to remember that European elections do not initiate a process of government formation, as they do in most parliamentary democracies.


**FIGURE 12.4**

Political Groups in the European Parliament

Parties in the European Parliament are grouped by ideology and not by nationality.
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The Political Groups provide an important channel of information for national parties. They are also important in organizing meetings, typically held before European Council meetings. At these sessions heads of government and commissioners from the party, party leaders, and the chair of the Political Group try to achieve a consensus on key issues affecting European integration.

The two largest Political Groups are the center-right European People’s Party (EPP, previously named the Christian Democrats) and the center-left Party of European Socialists. Until the parliamentary elections of 1999, the Socialists were the dominant party within the Parliament. Much to the shock of the Socialists, the EPP won 233 seats in 1999, while the Socialists won only 180. The trend continued in 2004, when the EPP won 278 seats and the Socialists won 199. Whereas the Socialists and the EPP previously had engaged in a kind of “grand coalition” and shared the committee chairmanships and the presidency of the Parliament among themselves, in 1999 the EPP pursued a different strategy. It concluded an informal alliance with the third largest party, the Alliance of Liberals and Democrats for Europe (with 51 seats), and shared the presidency of the Parliament with the Liberals. Most importantly, the EPP stressed the left-right division within the Parliament and the Commission. The Parliament became more “politicized.” Rather than subordinating partisan conflict to the desire to increase the Parliament’s power vis-à-vis the Commission and the Council of Ministers, the EPP highlighted the policy differences between the Socialists and the center-right parties. The EPP views government intervention in the market less favorably than do the Socialists. In fact, under EPP leadership the Parliament voted more pro-business and less environmentally friendly than had past Parliaments. After the 2004 elections, the EPP and the Socialists again shared the committee chairmanships and the presidency of the Parliament among themselves, so that the “grand coalition” has reemerged.

It is important to note that the party families (especially the EPP and the Socialists) have traditionally cooperated with one another. The EPP, the Socialists, and the Liberals still need to cooperate because none alone has the majority needed under parliamentary procedures. Given the necessity to cooperate, the Parliament is not the forum for the kinds of partisan clashes found in the British House of Commons (see Chapter 5). Nonetheless, adversarialism is now present in the Parliament to a greater degree, especially since the 1999 elections. Partisan divides tend to dilute the Parliament’s power when dealing with the other institutions. For example, when the partisan divisions between right and left are highlighted on an issue, the Parliament is in a weaker position when entering conciliation talks with the Council than when there is a unitary parliamentary position.

In general, politics within the Parliament is now less predictable and more fluid than had been the case in the past. The EPP itself is divided between members from the Christian Democrats, who have traditionally favored European integration, and Euroskeptics. This means that the political dynamics of the Parliament are very complex. Importantly, partisan divisions tend to be more important than nationality differences in determining the voting behavior of MEPs. This is an indication that the European Parliament is functioning more and more like a “normal” national parliament.

The 2004 elections were marked by a low turnout (in the ten new countries, overall participation was only at 26 percent, with notable exceptions in Malta and Cyprus (see Figure 12.3). The elections also showed a clear gain for smaller, Euroskeptic, or populist parties. In the UK, for instance, the UK Independence Party (UKIP), whose agenda calls for complete withdrawal of the UK from the EU, placed third after the Conservatives and the Labour Party, with 17 percent of the votes. In Sweden, Poland, and Denmark, Euroskeptic parties also gained ground. Voters punished their government either because of its support of the Iraq war (in the UK) or because of its poor economic performance (in France and Germany).

INTEREST GROUPS

As the EU has expanded the range of policies about which it can legislate, lobbying activities in Brussels have experienced a veritable boom. Research is still trying to catch up with the growth and activity of groups, and scholars understand the role of interest groups in national systems better than in the EU. What is clear is that the system of policymaking within the EU is so open that interest groups can participate in the process of making public policy.

Interest groups interact with the EU’s institutions in relatively unpredictable ways and at different points in the policy process. They lobby the Parliament for favorable amendments to Commission and Council of Ministers proposals, as well as the relevant Commission officials. They have become an integral
part of the policy process in Brussels, much as they are in the UK, Germany, the Netherlands, Denmark, and Sweden. Although groups representing a variety of interests are becoming ever more numerous in Brussels, the structure of interest group interaction is not “corporatist,” as it is in several European nations (see Chapter 4). That is, business and labor groups do not work with government officials in a structured way to make policy.

Interest groups have become so numerous (in 2008 there were 15,000 lobbyists working in Brussels) that both the Commission and the Parliament feel the need to regularize their activities in some fashion. The Parliament in 1996 established a register of interest groups. Once an interest group has registered and accepted a code of conduct, it receives a one-year pass giving access to the Parliament. However, this has proven insufficient to make the relationships between MEPs and lobbyists transparent enough. In 2008 Parliament proposed more stringent rules, although glaring loopholes remain (in particular, under the proposal lawyers are exempt from the new rules).31

The Commission developed guidelines to guide Commission officials in their dealings with representatives of interest groups and to improve transparency.32 However, these rules have also not been enough. Between 2005 and 2008, the Commission further revised them, introducing a voluntary registry in 2008. The Commission, which is the object of most of the lobbying, has found it particularly difficult to maintain access to its relatively small staff without being overwhelmed by the demands on its time and attention. Although regulation exists, there are no uniform rules across EU institutions on the participation of interest groups in the EU decisionmaking process.

Political parties are not the key actors in Brussels as they are in national political systems and there is no “government” in the traditional sense; instead, the Commission has become the key target of interest groups because of its role in initiating legislation. The Commission subsidizes European-level groups—such as citizen groups, trade associations and unions—as it sees them as a way to support further integration.33 These groups are transnational actors—that is, they bring together national associations so as to form a European group. Transnational groups are not as important as many assume, at least partially because national associations often find it difficult to agree on a common position. Many such groups are much weaker than their national counterparts. National organizations, rather than the European federations of such organizations, often possess the information that is the interest group’s chief asset and the resource most valuable to the Commission as it attempts to formulate policy.

Although it is difficult to gauge precisely the relative power and influence of diverse groups, many analysts argue that business interests have the most access and are the most influential.34 Trade unions, although members of the European Trade Union Conference, have been unable to organize as effectively, and in general labor representatives are less visible in policy debates. Environmental and consumer groups, although nurtured and supported by the Commission, are still much weaker in general than are business groups.

In fact, business interests form the overwhelming majority of interests represented in Brussels (see Figure 12.5). According to the latest count, there are more than 1,300 corporations (including many from the United States, such as McDonald’s and defense and aerospace giant Northrop Grumman), organizations representing business interests (from the Association of the European Self-Medication Industry to the Tattoo Ink Manufactures of Europe), and chambers of commerce working with the EU. Conversely, only twenty-three labor unions are represented in Brussels. However, interest representation is not limited to economic interests: 439 nongovernmental organizations (from Amnesty International to the World Wildlife Fund) operate in Brussels alongside the representatives of 88 regional governments (including some from the United States and Canada) and 117 international organizations.35

In spite of the number of interest groups operating in Brussels and their varied activities, it is important not to overestimate their influence. As indicated earlier, the Economic and Monetary Union represents a historic milestone for European integration. The new European Central Bank and the euro are key changes in the economic landscape of the EU. Yet interest groups were not involved at key points in these decisions. Business groups, labor representatives, and associations representing banks were all excluded. Heads of state and government and their finance ministers, along with their advisors and civil servants, were the key negotiators on EMU, not interest groups. The same general argument can be made about all the treaties, up to and including the Lisbon Treaty.

Although interest groups are not necessarily included in the “historic” decisions, they are typically woven into the EU’s policy process. In particular,
sophisticated groups lobby at both the national and the European levels. They lobby the Commission for favorable provisions when it is drafting the legislation, they lobby the Parliament for favorable amendments when it is considering the legislation, and they lobby the national officials who will be involved when the issue reaches the Council of Ministers. The EU has many access points for groups or individual actors, and they are increasingly taking advantage of all of them. A large business firm’s lobbying effort may use its national association—which has an office in the national capital as well as an office in Brussels, a Euro-association that brings together national associations, and the firm’s own office in Brussels. It can thus lobby a variety of officials using a variety of venues and strategies. To be effective, lobby groups also need to coordinate across European, national, and subnational levels, as EU laws need to be transposed into national laws.

PUBLIC OPINION—DOES IT MATTER?

The European Union is different from the national political systems in the role that mass politics plays. Citizens have an ambiguous role, and scholars are still determining how public opinion intersects with the EU’s policymaking process. In the EU the voters transmit their wishes primarily through national governments. In national systems the voters directly choose those in power. Because the EU involves negotiations among governments, similar in that sense to international relations, governments can pursue policies somewhat independently from the wishes of voters.

Governments, once in power, have more discretion on issues related to integration than they do on national issues centrally identified with their political party. The question of “Europe” is not clearly positioned within national political systems. It divides political parties internally, rather than separating one party from another. Prime ministers therefore exercise considerable discretion when deciding broad issues of European integration. In countries where referendums are common (Denmark and Sweden, for example), voters can express their views more directly and have them be more binding than can voters in countries without referendums (such as Germany). In some cases, where referendums are possible, but infrequent (France), the results can be surprising. This was evident when President Mitterrand, assuming that the French would support the Maastricht Treaty, called for a referendum—only to see the treaty supported by the thinnest of margins. Even when referendums are used, the substantive results can be somewhat surprising. Norwegian voters twice rejected membership in the EC. Still, Norwegian governments have tried to pass legislation and pursue economic policies compatible with EU legislation. If one examined selected aspects of Norwegian public policy, it would not be immediately obvious that Norway is not a member of the EU.
Public opinion does not constrain political leaders as directly as it does in national, strictly domestic, politics. Rather, the constraint of public opinion is more subtle and diffuse. Public opinion as expressed in the elections to the European Parliament is also diluted, since the Parliament does not form the government.

Although compromise is a normal part of the democratic process, especially in systems with coalition governments, national politicians do not feel comfortable explaining their EU policy positions to their electorate. While political elites understand the necessity for compromise, the EU’s decisionmaking process is often presented to the public as one in which countries lose or win. Depending on the circumstances, ministers either claim to have “won” (when carrying out popular policies) or claim to have been “forced” by the EU to take an (unpopular) action.

Even when taking an unpopular action, it is quite likely that the national government voted in favor of that unpopular action, but conveniently does not mention that fact. “Scapegoating” Brussels is easy because the legislation approved by the Council of Ministers often does not take effect until several years later. Only the most sophisticated newspaper reporter is likely to track the legislative history of an EU law, which is criticized by national politicians when it goes into effect.

The lack of a direct transmission belt between public opinion and the EU executive has led many to argue that a “democratic deficit” exists. Some argue that a much stronger European Parliament is necessary to remedy the deficit. Others argue that national parliaments need a stronger role in the EU policy process.36 Ironically, considering its rejection by Irish voters in 2008, the Lisbon Treaty considered both positions by increasing the power of the European Parliament and giving national parliaments a greater role in EU policymaking. Yet, neither of these two positions confronts the fact that the EU is not a state. As long as the policy process involves bargaining among legally constituted national governments, the influence of public opinion will face many of the same constraints that exist in the making of foreign policy. Multilateral decisionmaking that requires bargaining with foreigners is not the same as decisionmaking within national systems in which foreigners do not play a role. That difference raises difficult issues in fixing the democratic deficit. First, the institutional structure of the EU is mind-bogglingly complex and very distant from the clear lines of responsibility of parliamentary democracy (the standard form of democracy with which most Europeans are familiar). Second, the lack of a truly European-wide public opinion reduces the significance of European elections. For this reason the innovations introduced by the Lisbon Treaty—even if it were to be finally ratified—might not be sufficient to address the democratic deficit. Some suggest further reforms—for instance, to raise the selection of the European Commission to a significant political issue for European voters, with real cross-European campaigns by the candidates for the position of Commission president.37

The Council of Ministers operates in a great deal of secrecy, and that secrecy helps political leaders operate in Brussels with less scrutiny than they receive in their national capitals. Minutes of Council meetings, even when accessible to the public, are often not very revealing of the political dynamics that led to the decision being reported in the minutes.38 The deals made between ministers are often not revealed to the press. Each minister may well claim “victory” for his or her position, but what is typically not revealed is what concessions were made by that same minister. Even though the Council of Ministers could not reach a decision without each national government being willing to compromise, ministers do not publicize their role in reaching a compromise.

The secrecy accompanying Council of Ministers decisionmaking has led many critics to identify such secrecy as a contributor to the democratic deficit. Citizens do not know what kinds of concessions their national government made or even how their government voted on a particular piece of legislation. This leads to a lack of transparency in the EU’s operations, which many see as intrinsically undemocratic. Again, secrecy in decisionmaking is more characteristic of international relations than of domestic politics. Many international “deals” are made away from public scrutiny. Foreign policymaking is one of the least transparent policy areas within national systems. International diplomacy has historically been rooted in secrecy, partially so that negotiators can protect their negotiating flexibility and thereby arrive at a compromise. Although the EU exhibits a great deal of integration and negotiations within the Council of Ministers differ in significant ways from those in other international forums, such negotiations are nonetheless different from their domestic counterparts. The EU is composed of states that still regard each other as foreign. That basic fact affects the dynamics of negotiation and raises difficult questions about whether such a system can be democratized without paralyzing its decisionmaking capacity.
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As Brussels penetrates more and more deeply into domestic political systems and wields greater power in policy areas traditionally seen as domestic, the lack of open decisionmaking is increasingly problematic. Given the lack of strong European transnational parties that could claim some legitimacy in the tradition of "party government" and the lack of oversight by national parliaments over the EU’s executive levels, the Council of Ministers is open to the charge that it is "undemocratic." But can multilateral decisionmaking involving foreign governments be democratic in the same way in which national systems are? Can public opinion be as influential?

The current policy process does not allow public opinion, defined either ideologically or nationally, to be directly transmitted into decisionmaking. The relative absence of transnational political parties and the discretion exercised by national ministers both dilute the impact of public opinion. It is therefore difficult to predict the position a national government will take by looking at the state of public opinion. Chancellor Helmut Kohl, for example, strongly supported the drive for a single currency even though at times a majority of Germans opposed it. While elections that bring in new political parties can certainly change a government’s position on integration, such change is not automatic.

In spite of the relative insulation policymaking has enjoyed, public opinion became far more important during the ratification of the Maastricht Treaty. That ratification process politicized the issue of European integration, so much so that elites negotiating the Treaty of Amsterdam in 1997 had to keep public opinion in the forefront of their calculations. That is particularly true for political leaders in countries that use referendums for ratification, as a series of defeats in national referendums—over the Nice Treaty (2001) and the Lisbon Treaty (2008) in Ireland and the constitutional treaty in France and the Netherlands (2005)—has amply shown. The referendum, however, is a dull tool to use when deciding complex institutional questions. In the 2008 Irish referendum on the Lisbon Treaty, the main reason why voters voted “no” was because they felt they did not have enough information on the treaty.39

Although it can be argued that adverse public opinion has mainly slowed down the progress of integration, rather than changing its orientation in any fundamental way, there is no doubt that political leaders now take it into account tactically, if not strategically. However, outside of a referendum, public opinion becomes most influential when political parties mobilize it. European political parties are divided by religion, the proper role of government in the economy, and the limits of social welfare, rather than by issues linked to European integration. Thus, they have not capitalized on different opinions about integration within the mass electorate. In addition, they have not engaged in a sustained debate about the policy choices presented by integration. Consequently, public opinion has less impact on the European arena than it does on the national, except when referendums are involved.

Cross-National Differences

Support for European integration depends on socioeconomic status, with the more affluent being more supportive of integration (see Figure 12.6). Support is higher among upper-status professionals such as managers and salaried employees (and students) and lower among the unemployed and retired.

Typically, support for Europe also varies cross-nationally, as does participation in European elections. It is important to remember that there is no “European” public opinion; there is instead only public opinion within twenty-seven different national political discourses. The lack of “European” media reinforces such segmentation. Nationally based newspapers and television reporting strengthen the notion of national opinion, national electorates, and national victories and losses within the EU. In a similar vein, the notion of a “European identity” gains more support in some member states than others, but is secondary to national identity.

A majority of European citizens support European integration. In general, the citizens of the founding six members are more supportive of European integration than are the citizens of the UK (Figure 12.7). The citizens of states that joined in 1981 and 1986 (Greece, Spain, and Portugal) have consistently been far more favorable than the British. For members such as the Irish, the Spanish, and the Portuguese, favorable attitudes may be rooted in the view that the modernization of the economic and political system is linked to membership in the EU. Analysts view modern Spain and Ireland as intrinsically “European,” while the traditional Spain and Ireland were outside of the European mainstream. In general, attitudes in Greece, Spain, Portugal, and Ireland are now as favorable toward integration as are attitudes in the original six members. Among the
countries that joined since 2004, Latvia, Hungary, and Cyprus are the least “Euro-enthusiastic,” while Poland and Romania are much more satisfied with European integration.

Support for the euro has been volatile and is currently higher than support for EU membership. Average support was 64 percent in 2007. In September 2000, 53 percent of Danes voting in a referendum on the euro voted against Danish membership; in 2007, however, a majority of Danish voters supported the euro. Conversely, the Swedes rejected the euro in 2003 and remain opposed to it, as are the British (less than a third of UK voters favor the euro). Among the countries that have adopted the euro, in 2007 support for the common currency varied between a high of 91 percent (Slovenia, probably in connection with the country’s recent entry in the Eurozone) and a low of 41 percent (Greece). By contrast, most Europeans favor a common foreign and security policy.

Public opinion was especially salient during the process of ratifying the Maastricht Treaty. Given the broad consensus among all the key political parties in the member states, the leaders meeting in Maastricht expected no trouble during ratification of the treaty. Much to the surprise of political elites, the Danish electorate voted “no” on Maastricht in June 1992. The Danes voted “yes” only in May 1993 after the Danish government had obtained key opt-outs from central provisions of Maastricht. Even more troubling was the French reaction to Maastricht. In October 1992 the French barely approved the ratification of Maastricht. The shock waves from the Danish and French results obscured the fact that the Irish electorate approved the treaty by a substantial margin. Denmark and France became the symbols of a troubled European integration, whereas the Irish results were largely discounted.

Most analysts interpreted the results of the Maastricht referendums as a warning light that mass electorates were either hostile to or deeply skeptical about further European integration. Within the European Commission itself, a new sense of caution and circumspection emerged. National politicians clearly interpreted the referendums as a vote on integration, and the importance of public opinion in setting the parameters for elite action increased. In 2001 the Irish rejected the Nice Treaty and accepted it only in a second referendum. In 2005 French and Dutch voters rejected the proposed constitutional treaty, and, as we have seen, in 2008 the Irish rejected the Lisbon Treaty.

In sum, the role of public opinion concerning integration is still ambiguous. How to mobilize public
opinion in a system of multilateral decisionmaking involving foreigners is still an open question. The is-
issues linked to European integration, although more
than fifty years old, have not yet found their place
on the national political agenda as shaped by na-
tional political parties.

THE POLICYMAKING PROCESS

Given the institutional complexity of the EU—its un-
usual institutions, its differing decisionmaking pro-
dures across pillars—the policymaking process is
more variegated, segmented, and less uniform than
in European nation-states. The system itself is in flux,
and the cast of political characters is often unpre-
dictable. Nonetheless, certain key characteristics of
the EU make that process more understandable.

First, small states wield a surprising amount of
power within the EU. The large countries have more
administrative resources to bring to bear in the EU’s
policymaking process, but the national governments
of small member states typically focus on issues of
particular concern to them. They often do extraordi-

Note: The figure plots the percentages of the public in each member state that say membership in the EU is a “good thing” or a “bad thing.”
Source: European Commission, Eurobarometer 68 (Brussels: European Union, December 2007).

Second, Germany disproportionately pays the
highest net financial contributions to the EU, as Table
12.2 indicates. If Germany refuses to support a new
initiative that requires new expenditure, its opposi-
tion is particularly important because of Germany’s
role as paymaster.
Third, questions about expenditures and financial resources invariably raise the issue of compulsory expenditure for the Common Agricultural Policy (CAP). CAP has historically dominated the EU’s budget. However, CAP spending has declined significantly—from roughly 70 percent of its budget in 1984 to 34 percent in 2009 (see Figure 12.8). It now represents the second largest expenditure item after cohesion policies, which reduce inequality among regions in the EU and stimulate economic development. External policies, which include foreign aid, account for only 5 percent of the 2009 budget.

Designed as a key element of the European postwar welfare state, the CAP maintains the incomes of farmers by keeping food prices high and cheaper agricultural products out of the EU’s market. The international community (the United States especially), as well as some member states (the UK, in particular), has consistently criticized it. The General Agreement on Tariffs and Trade (GATT) Agreement on Agriculture and reforms that the Commission had been successful in promoting in 1992 reduced the budgetary burden of agriculture, but a great deal more change is necessary if the accession of the postcommunist countries with their large agricultural sectors is not to intolerably strain the EU’s finances.

Although the Commission had hoped for more reform, the Berlin European Council meeting of 1999 agreed on only relatively modest changes. Germany, facing very strong French resistance to major changes in the financing of the CAP, agreed to continue its role as paymaster of the EU. Even though Germany is the largest contributor to the EU budget, it receives only 13.2 percent of CAP monies. France receives 20.3 percent of the CAP, but contributes only 16.3 percent of the EU’s budget (2006 data).43 Enlargement to include the poorer and more agricultural countries of Eastern Europe has produced some changes in the CAP, both in the redistribution of funds (from the old to the new member states) and in the nature of the policy. The CAP now emphasizes support to rural development, rather than support to production.

Fourth, the policy process is rooted in a culture in which consensus building is highly valued. Even when qualified majority voting is permissible, the Commission and member states try to develop legislation that is acceptable to all twenty-seven member states. The consensual decisionmaking style reflects the norm in many of the member states, but is clearly different from the more adversarial political cultures in the UK and France.
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Finally, the EU has such diversity of interests, administrative and political cultures, and regulatory arrangements that policy outcomes show the influence of several models. No national government can impose its own framework on others, and no national government is consistently forced to accept models alien to its own traditions. In the field of regulation, the outcome is a “patchwork” that incorporates aspects of varied traditions. In a similar vein, no national government consistently loses in terms of policy outcomes.

Policy Initiation

The European Commission formally initiates all policy proposals. During the policy process, it interacts closely with both the Council of Ministers and the European Parliament. The Commission is the spoke in the wheel, with constant and routine contacts with both the Parliament and the Council. The Commission is the focal point of attention in the policymaking system because it shapes the agenda of the other institutions. The Commission’s “work in progress” is an excellent predictor of the issues that the Council and the Parliament will debate in the future.

The Commission attends all meetings within the Council of Ministers and the Parliament. However, neither the Council nor the Parliament is represented at Commission meetings. The Commission is so visible in the Council that it is sometimes called the “twenty-eighth member state.” The Commission plays such a powerful role in various stages of the policymaking process that it is a “co-player” with the Council of Ministers: “neither institution can act without the other.”

In most policy areas, however, the European Parliament has become a “third co-player,” and its role will be further strengthened if the Lisbon Treaty is eventually ratified.

The Commission President

The president of the Commission plays a critical role in the policy process (in pillar one) because of the visibility and the intensely political nature of the position. In practice, the power of the president depends on the context in which he or she operates, and in particular on whether the member states are willing to cede some control of the agenda to the Commission. The president is appointed as a commissioner by his home country, but is chosen (in practice) as president by consensus by the twenty-seven heads of state and has to be approved by the European Parliament. Jacques Delors, the president from 1985 to 1995, was a commissioner from France and the longest-serving Commission president in the EU’s history. He was...
followed by Jacques Santer, appointed in 1995, who had been the prime minister of Luxembourg. Santer was forced to resign, along with the entire Commission, in March 1999. Romano Prodi, the former prime minister of Italy, succeeded him. In 2004, Jose Manuel Barroso, the prime minister of Portugal, became the next president.

Choosing a president of the Commission is a delicate, intensely political task. The chief executives of the member governments, meeting in the European Council, choose the president. Delors was chosen because UK Prime Minister Margaret Thatcher and German Chancellor Helmut Kohl opposed another Frenchman, Claude Cheysson. Jacques Santer of Luxembourg was chosen because John Major (the UK prime minister) vetoed the choice of the French and Germans, Jean-Luc Dehaene (the prime minister of Belgium). Santer was a candidate who could receive unanimous support. Barroso was chosen because the UK considered the Franco-German choice, Guy Verhofstadt (the prime minister of Belgium), too federalist; Jean-Claude Juncker, the prime minister of Luxembourg, refused to be a candidate; and Chris Patten, the British choice, did not speak good French and did not come from a country that participates in the Eurozone (France’s requirements for the new president).

Jacques Delors was especially important in increasing the prestige and political weight of the Commission, both within the EU and in the international arena. His admirers described him as strategic, brilliant, intellectual, and visionary, while his critics argued that he was arrogant and too much of a centralizer and did not sufficiently consider the wishes of national governments or the other Commissioners. Both his critics and his admirers would agree, however, that under his leadership the EU made some of its most important steps toward further integration. His advocacy and implementation of the 1992 Project, the initiative to create a single market, will undoubtedly give him a firm place in the history of European integration. It is in fact possible that future histories of the EU will identify Monnet and Delors as the two most important individuals associated with the project of European integration in the twentieth century. Delors’s immediate successors were not nearly as successful: Santer had to resign under a cloud, and Prodi was considered well intentioned, but ineffectual.

**Civil Service** The Commission’s civil service is organized by a directorate-general (DG), rather than by ministry, as in national executives. The Commission’s secretary-general plays an important, albeit discreet, role in coordinating the work of the various directorates-general. The secretary-general is responsible for the relations among the Commission, the Parliament, and the Council of Ministers and is the only noncommissioner who sits with the commissioners when the College meets.

**National Governments** The relationship between the Commission and the national governments is critical. A national government works especially closely with the Commission President when it holds the six-month rotating EU Presidency. The politics of Brussels and the politics of key national capitals, including that of the country holding the Presidency, are entangled. Power in a national political system, especially within the French or German system, is a tremendous asset when operating within the EU’s policymaking system.

The Commission is in constant contact with national executives during the routine of policy initiation. The commissioners have political contacts at the highest national level, while Commission officials have frequent contact with their national counterparts. In fact, the Commission often introduces proposals at the behest of a national government. The Commission president must deal with the national governments as soon as the appointments process begins in national capitals. Although Prodi was in a stronger position to bargain with the national governments because of the increased powers given to the president by the Treaty of Amsterdam and Barroso was in an even stronger position, there were definitely limits to their ability to persuade the national governments to appoint the people they would have preferred. Barroso was pleased that more women were appointed to his Commission than had been the case previously (there are eight out of twenty-seven), but he could not himself appoint any female commissioners.

After negotiations between the Commission president and national governments, each commissioner is given a portfolio—a specific policy area for which he or she is primarily responsible. For example, one commissioner is in charge of environmental policy, while another oversees the internal market and another is responsible for transportation programs. As in a national cabinet, some portfolios are more attractive and prestigious than others. Those dealing with external relations are always desirable, as are those dealing with economic matters. At the beginning of each new term, the president assigns
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portfolios with an eye to seniority, national government pressure, expertise, and political clout back home. In assigning a policy area to each commissioner, President Barroso has acted more independently from the member states than many had expected. He has not given the large member states the posts they were seeking for their commissioners. For instance, France was pushing for the powerful competition (antitrust) post, but was given the transport post. When the Italian commissioner gave up the Justice, Freedom and Security portfolio to join the Italian government in 2008, Barroso shifted the transport portfolio to Italy (and gave the Justice portfolio to France) over the protests of Italy.

The policy initiation process, broadly defined, is complex because commissioners must deal with their national governments, other national governments in the areas of their policy responsibilities, and the institutions of the EU. Since the Commission is involved in nearly all phases of the policy process in pillar one, officials are in contact with countless actors as a proposal is drafted, refined, accepted by the College of Commissioners, and then shepherded through the EU’s institutional process.

Although commissioners are required formally to represent the European interest, they need to keep their prime ministers at home happy if they want to be reappointed. In general, commissioners try to represent both the European and the national interest within certain boundaries. While they do not accept instructions from their government, they typically do put forth some policy positions that are recognizable as “national” positions.

Keeping a political master minimally satisfied without sacrificing one’s European credentials can be difficult. Typically, an effective commissioner will be able to inform his colleagues in Brussels when a proposed piece of legislation will run into severe political trouble with his national government. Conversely, he will be able to keep his capital well informed about developments within the Commission so that the national capital is not surprised. Finally, he will be able to mobilize his colleagues in the College of Commissioners to support the positions he advocates, positions that his national government is likely to support.

Once the College of Commissioners approves draft legislation by majority vote, it goes to the Council of Ministers and often the Parliament. In both cases the Commission’s proposal will undergo amendments, although usually the main lines of the Commission’s proposal are accepted. Depending on the subject matter, the Council can legislate by itself, or it approves a draft of the legislation, which then will be amended by the Parliament under the co-decision procedure. In the latter case, both the Council and the Parliament need to agree in order for a bill to become a law. If the Council agrees on a piece of legislation, but the Parliament and the Council cannot jointly come to an agreement, the legislation dies and is not enacted.

The Commission does not have the political clout in relation to the Council of Ministers that, say, the German chancellor or the U.S. president has in relation to the Bundesrat or the Senate, respectively. The Commission’s leverage over the collectivity of national governments comes more from the power that accompanies the setting of the policy agenda and the definition of problems than from the formal powers typically associated with a cabinet or executive branch.

COREPER When ministers fly into Brussels for Council of Ministers meetings, they consider only the most difficult issues, those that need compromise at the high political level of a minister. The Committee of Permanent Representatives (known as COREPER, its French acronym) has already negotiated most of the other issues.

COREPER is critical to the successful functioning of the Council of Ministers as an institution. Some view it as “the contemporary battlefield on which the nations of Europe settle their differences.” This group, made up of the ambassadors to the EU from each of the member states, resolves all but the most politically sensitive issues in the legislation passed by the Council of Ministers. The group meets weekly on Wednesday or Thursday, with the Commission and the Secretariat of the Council of Ministers both represented. At least once a month, they have a very private lunch at which time no interpreters and no note takers are present; English and French are the only languages spoken. That kind of privacy allows the real deals to be made, as both the Commission representatives and the ambassadors can select what they report back to their superiors. In the words of one participant, “It’s very simple, there are no spies.”

COREPER represents the views of national capitals in Brussels and gives officials in those same capitals a sense of which arguments the other national governments within the Council of Ministers are likely to accept. COREPER officials play a key role in the entanglement of the “European” and the “national.” Both national and EU officials take them seriously. COREPER operates in pillar one, while the
Political and Security Committee (COPS, from its French acronym) plays a similar function in security-related issues of pillar two. According to the Nice Treaty, COPS monitors the international situation covered by the areas of the second pillar. It also contributes to the definition of the CFSP by giving opinions to the Council. The COPS is composed of senior ambassadors from the national permanent representations to the EU.

The Parliament is now a much more important legislative actor in many policy areas. The triangular relationship of the Commission, the Council, and the Parliament is one in which the Commission and the Parliament have typically been allies. Increasingly, the Council and the Parliament are participating in direct relations, as the co-decision procedure forces the Council to take the Parliament seriously. Given the Parliament’s significant budgetary powers, the three institutions are inextricably linked when fashioning budgetary policy, and this will be especially true if the Lisbon Treaty puts the Parliament’s budgetary powers on a par with those of the Council of Ministers.

**Policy Implementation**

While the Commission is the “motor” of European integration, it is not the implementor of EU legislation. That function falls to the member states. The Commission’s civil service is too small to carry out the monitoring and enforcement duties of a national bureaucracy.

The United Kingdom has often been excessive in its implementation of EU directives, exhibiting a zeal that its “Euro-skeptic” population often refers to as “goldplating.” The introduction of metric measurement is an example of goldplating: Metric measures were to serve as the common system of measurement within Europe and thus facilitate trade among EU members. But many in Britain viewed such as change in the traditional system of measurement as an assault on British sovereignty and the British way of life. In 1980 directive 80/181/EEC introduced the requirement of metric units. The directive was implemented in Britain in 1994 with the “Units of Measurement Regulation 1995.”

The regulation went well beyond the original directive, however, contributing to the image of the EU as an unreasonable behemoth. In 2003, for instance, a farmer selling potatoes at a local market was warned by the authorities that he was in breach of the law: He was selling his potatoes in bags labeled both in imperial and in metric units, as required by EU regulation. However, the bags weighed 25.4 kilograms, while the British regulation—not the EU directive—prescribed that bags should weigh either 25 or 20 kilograms.

The Commission is largely restricted to the use of legal instruments in its efforts to oversee implementation. In particular, it can bring a member state before the ECJ if a directive passed by the Council of Ministers has not been appropriately “transposed” into national law. It can also bring a member state before the ECJ if the implementation of an EU directive is not being properly pursued (in 2008 the Commission threatened to do just that in connection with a garbage disposal crisis in Naples, accusing the Italian government of having failed to implement the waste framework directive). Such an action is difficult, however, as the Commission does not have the power physically to enter a member state to gather the kind of evidence it would need to persuade the judges of the ECJ. Nongovernmental groups and private citizens do, however, write to the Commission with complaints of infringements of EU law, and the Commission often uses informal pressure on a national government to improve the execution of directives on the ground.

Sometimes the domestic implementation goes even beyond the letter and the spirit of the European legislation, thus generating unnecessary frictions with the citizens (see Box 12.3).

**Judicial Review**

The ECJ has evolved in a way that the member states did not expect. Established to ensure that the Commission did not overstep its authority, the ECJ
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expanded the scope of EU authority in several ways. Most importantly, it declared that EU law was supreme—that is, superior to member states’ law—and that it conferred judicially enforceable rights to individual citizens and firms, even vis-à-vis their own governments.51

The sweep and direction of the ECJ’s decisions have been so important that some analysts view the ECJ as another “motor” of European integration at times when national governments were reluctant to move integration forward and to allow the Commission to pursue further integration. Although, like all courts, constraints limit its power, the ECJ has gradually attained the unique legitimacy enjoyed by courts. The process of integration would have proceeded much more slowly, and in some areas might not have proceeded at all, without the ECJ’s activism. In sum, the ECJ has led to the constitutionalization of Europe. As Alec Stone Sweet has put it, through the activity of the ECJ, “[t]he Rome Treaty evolved from a set of legal arrangements binding upon sovereign states into a vertically integrated legal regime conferring judicially enforceable rights and obligations on legal persons and entities, public and private, within EC territory.”52

Several factors have helped the ECJ in its integrationist project. First, the use of legal reasoning and argument seems apolitical. In that sense the very language and procedures of the judiciary and the legal profession help mask the political consequences of legal decisions. Second, it has been very difficult for the member states to agree to pass legislation overriding ECJ decisions. In fact, the supranational institutions in general benefit because each one typically has allies on any issue among at least several states. Dissenting states therefore find it difficult to reverse “integrationist” decisions or processes once they are established.53

Third, the ECJ benefits from the use of national courts (through what is known as the preliminary ruling system) in implementing EU law. Once national judges accepted the legitimacy of the rulings of the ECJ, the national governments’ room to maneuver narrowed considerably. It is difficult for national governments to ignore the decisions of their own national courts, so the ECJ’s use of national judges has given it powerful allies within the member states themselves.

The ECJ has been a powerful instrument of integration (see Box 12.4). Until very recently it typically promoted further integration through its decisions and was a powerful ally of the Commission, as well as of the Parliament. In policy terms it set the stage for the single market with groundbreaking decisions, granted the Commission external power in those areas in which the EU was allowed to legislate internally, decided the boundaries within which environmental protection could act as a nontariff barrier, and promoted gender equality in the workplace.

Although environmental policy is now a major concern of the EU, the EC lacked competence until the SEA. However, the ECJ intervened in this policy area even before the signing of the SEA. Already in 1983, the ECJ declared that environmental protection was one of the core goals of the EC.54 Later, as the EU began to include environmental policy among its competences, the ECJ ensured that the member states—as in all other areas in which the EU has competence—fully implemented the European legislation. In this way it has been an agent of Europeanization (see below), as it transmits the impetus for change originating from the European institutions to the policies actually carried out in the member states.55

As for gender discrimination, the ECJ began to act beginning in the early 1970s. A Belgian air attendant brought a case against the practices of the Belgian flag airline of compensating female attendants less than males, forcing them to retire earlier than men, and paying pensions to men but not women, even though male and female attendants did the same job. The principle of nondiscrimination between men and women over pay was already in the Treaty of Rome, but the member states had refused to consider it anything more than a vague declaration of principles. The ECJ, with this and successive cases, made the principle of pay equality directly applicable to individual women across the EC. Over time—and often in conflict with member states (such as the UK) that defended the discriminatory practices of their industries—the ECJ has clarified that a wide array of benefits beyond the monetary salary, including access to promotion, should be equal for men and women doing the same job.56

In sum, the ECJ has provided the EU with a legal order in which EC law is supreme to national law, a supremacy accepted by national judges. The ECJ, in the words of one of its distinguished judges, has sought “to fashion a constitutional framework for a quasi-federal structure in Europe.”57
Many of the landmark cases through which the European Court of Justice has driven European integration have to do with food and alcoholic beverages. While the principle of the supremacy of European law over domestic law was first established with the Costa case (Costa, ECJ 6/64, 1964), it was with the Simmenthal case that supremacy was given its bite. This case (Simmenthal, ECJ 106/77, 1978) involved the importation of French beef into Italy by the Simmenthal company. The company had to pay substantial fees for border health inspections required by the Italian authorities. The company’s attempt to see the fees declared in contravention of the rules of the common market eventually led to the referral of the case to the European Court of Justice, which found in favor of Simmenthal. Still, the Italian Constitutional Court balked by arguing that only it had the power to declare Italian legislation invalid. If this position had been allowed to stand, the supremacy principle would hardly have been applicable in practice. The European Court of Justice, however, rebutted the Italian court’s position, declaring that its judgments were immediately enforceable throughout the European Community.

Although the signatories to the Treaty of Rome had committed to the creation of a common market and thus to the elimination of obstacles to trade among them, they continued to try to protect their own industries by supporting a minimalist interpretation of this commitment. In particular, they argued that only rules that could actually be proved to restrict trade should be eliminated, thus placing a heavy burden of proof on the traders. The European Court of Justice weighed in with the Dassonville case (ECJ 8/74, 1974).

Mr. Dassonville had imported into Belgium a dozen bottles of Johnny Walker Scotch Whisky, which he had purchased from a French supplier who, in turn, had imported them from Britain. He soon found himself in a Belgian court, accused by the government of violating regulations that allowed the importation of spirits only from countries that had customs rules similar to those of Belgium. The case reached the European Court of Justice, which found in favor of Mr. Dassonville, arguing that all measures that can even just potentially disrupt trade should in principle be considered in violation of common market rules.

Member states had also reserved for themselves the right to prevent the importation of goods that had been produced in other member states under national regulations that differed from their own. Under the guise of protecting consumers’ health, this practice was clearly open to abuse as a protectionist measure. The European Court of Justice eventually reacted with what is known as the “mutual recognition” principle, whereby products that have been lawfully produced in a member state must be allowed to be marketed in other member states. This ruling came out of the Cassis de Dijon case (ECJ 120/78, 1979). Cassis de Dijon is a French black currant syrup usually mixed with white wine as an aperitif. Germany had prohibited its importation on the ground that its alcoholic content was too low to be classified as a liquor under German legislation and that this was somehow a threat to the health of German consumers. The European Court of Justice, however, found against Germany, in the process establishing the key principle of mutual recognition.

**EXTERNAL RELATIONS**

The powers of the EU in external relations have been growing. The Treaty of Rome specifically identified the Commission as representing the EU in organizations such as the Organization for Economic Cooperation and Development (OECD) and the United Nations Economic Commission for Europe (UNECE); the Commission thus had an external role very early. Furthermore, the fact that the Commission was the sole negotiator for the EU in the various rounds of the General Agreement on Tariffs and Trade (GATT) enhanced the EU’s presence in the field of international economic relations. It, along with the member states, became a contracting party to the World Trade Organization (WTO).

The Lisbon Treaty would introduce important institutional changes in the area of external relations. In particular, it would merge two preexisting positions (the high representative for CFSP and the European commissioner for external relations) to create the position of high representative of the EU for
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foreign affairs and security policy, with a European diplomatic service (formally the European External Action Service) at the high representative’s disposal.

The EU has struggled to gain recognition in the United Nations. It has an observer status, but has negotiated very hard to be treated as an equal negotiating partner in, for example, international environmental negotiations. In the case of global agreements (such as the Montreal Protocol limiting CFCs), the Commission bargained hard and long to be recognized as a signatory.58 This should change with the Lisbon Treaty, which gives the EU legal personality and thus empowers it to be part of international conventions or organizations. Generally, outside of the trade area, the member states have regarded treaties as “mixed” agreements in which the Commission signs on behalf of the EU and the member states sign as well.

ENTANGLEMENT OF THE “NATIONAL” AND THE “EUROPEAN”

The coexistence of intergovernmental and supranational elements within the EU makes it clearly distinct from any of the nation-states that belong to the EU. The institutions are in a delicate balance. Some institutions (such as the Council of Ministers) are intended to ensure that national governments’ views are respected and that integration does not proceed further than what is permitted by the “permissive consensus” that national governments accept. Other institutions (the Commission, the ECJ, and the Parliament) push the goal of integration by setting the agenda, raising issues, and keeping the pressure on to further integrate. These institutions test the boundaries of the permissive consensus. They project a broad strategic “European” perspective that does not match the views of any of the national governments per se, but that represents the interest of the European collectivity. They are the supranational component of the EU. Proponents of a more federal Europe see the ECJ, the Parliament, and the Commission as the institutions that should gain more power, while proponents of an intergovernmental Europe wish to increase the power of the Council of Ministers and the European Council.

The EU is, above all, its institutions, for there is not an EU political culture, media following, party system, electoral system, welfare state, or society. National diversity in all those areas is so great that the EU is identified more by its institutions than by those societal and cultural factors so important in shaping national polities.59 In brief, there is no EU “public” or “culture” as such.

Because of the delicate balance between institutions and the still evolving nature of the EU, it is not surprising that much of the “politics” observed in Brussels involves the various institutions jockeying for institutional power. The Council of Ministers, the Commission, and the Parliament constantly try to maximize their institutional reach and influence as they collectively struggle to reach a consensus on proposed legislation. The Commission tries to protect itself from encroachments from both the Parliament and the Council of Ministers, and the Council and the Parliament eye each other warily. Rather than being based on some kind of balance of power between the executive and the legislative branches as in the United States, the EU’s political system is based on a balance in the representation of both national interests and “European” interests. That is, the national interest and the supranational interest coexist, but are in constant tension. In that sense, the EU is more recognizable to students of federal systems than of unitary systems, for in federal systems the states and the federal government are typically struggling to maximize their own power.

In a parallel vein, those institutions representing national governments are “Europeanized,” so that national governments, when operating within them, are enmeshed in a decisionmaking machinery that is significantly different from that of a traditional international organization and from that at the national level. For instance, in the Council of Ministers there is a strong norm favoring reaching a consensus when deciding policy, so that governments are not outvoted by other member states’ governments.60 This is a far cry from the unilateral decisionmaking role of governments at the national level, as it requires them to some extent to internalize the preferences of the other governments.

The member governments of the EU collectively work together so that each individual national government has submitted to the “European” collectivity in forgoing unilateral decisionmaking. A national government operates within the boundaries of the EU’s institutional structure in a qualitatively different manner from the way it operates unilaterally in other international forums or at home. In brief, France in the European Union acts differently from France in the rest of the world, as does Paris acting as the sole decisionmaker in French national politics.
The supranational and the intergovernmental institutions are both integral to the project of European integration. The Council of Ministers, the main intergovernmental body, is there to bring the member states to a collective view, in contrast to the unilateral national decisionmaking that would take place if the European Union did not exist. National government action within the Council of Ministers is not unilateral action. The EU’s institutions, whether representing national governments or the “European” interest, all implicitly reject the exercise of unilateral national power.

That rejection of unilateral national power across a broad range of issues makes the EU so distinctive when viewed from the outside. Even when the member states decide to cooperate within the Council of Ministers, downgrade the Commission’s role, and exclude the ECJ, the degree of integration that they accept is far greater than that found in other parts of the world. Even when an arrangement is considered to be intergovernmental by Europeans, it would be considered far too integrationist for a country such as the United States to accept. The debate between the intergovernmental states (such as the UK and Denmark) and the federalist states (such as the Benelux states, Germany, and Italy) takes place within a context in which the rejection of the exercise of unilateral national decisionmaking is much more commonly accepted than it is anywhere else in the world. In brief, an intergovernmental posture within the EU would typically be considered as radically integrationist or federalist in Asia, North America, or Latin America.

It is a testament to the high level of integration reached in the EU that many observers speak of multilevel governance with reference to many areas of EU policymaking. This refers to the fact that decisionmaking in many policy areas not only involves actors from different levels of government (from the supranational—that is, the EU level—to the national and the regional levels), but also brings together both government and private (civil society) actors. An important area that operates through multilevel governance is cohesion policy—namely, the policy area concerned with economic development in the European regions that are lagging behind.

Moreover, the relationship between the member states and the EU is not static. The member states affect the policies and the institutional shape of the EU even as EU policies and institutions influence the policies and even institutions of the member states. The EU requires or suggests policy changes at the domestic level that lead to or facilitate changes in the way national institutions work. By now a vast literature exists that studies the so-called Europeanization of—for instance—national executives, political parties, and parliamentary institutions.

POLICY PERFORMANCE

National governments provide social services; the EU makes laws, but it does not engage, with a few exceptions (in the fields of agriculture and regional policy), in activities that involve large public expenditure. The EU’s comparatively small budget keeps it from engaging in the kinds of activities traditionally the province of national governments.

The EU engages in regulation, for the costs of regulation are borne by the objects of regulation rather than the regulators. With the creation of the single market, the EU became an important regulator of economic activity. Its role consisted of removing national regulations that impeded cross-border trade and re-regulating at the EU level to ensure, for example, the setting of safety standards. The process of regulatory reform therefore empowered the EU, while eliminating many national non-tariff barriers to trade.

The Single-Market Program

As already mentioned, the Single European Act allowed the member states to create a true single market. The single-market program involved the removal of non-tariff barriers from the EU’s economy. That is, it has largely dismantled the regulatory barriers that protected national markets from competition from goods and services produced in other EU countries. The 1992 Project as it was known (the goal was to approve nearly 300 pieces of single-market legislation in Brussels by 1992, a goal largely achieved) was the foundation stone of the more integrated European economy with which Europe entered the twenty-first century. Its effects in both the economic and the political spheres were huge. Once firms no longer benefited from protected national markets, they realized they had to become global, rather than being simply European players, to survive the competition from American firms. American firms were attracted to the single market, invested huge sums in building production facilities in Europe, and bought promising European firms. European firms therefore entered the American market in a sustained fashion, set up production facilities in
the United States, and bought promising American firms. Interestingly, the relationship became quite symmetrical—the number of Americans working for European firms roughly equaled the number of Europeans working for American firms.68

Although there are still a few areas in which agreement has not been reached, the EU’s legislative program for the single market is largely finished. In 1980 a citizen from one EU country was stopped when crossing the border into another EU state; by 2008 one could travel from Estonia to Portugal without any interruption. Capital now moves freely without capital controls by national governments. Firms based in one country can acquire firms in other member states, and banks can set up offices outside their home country. Airlines that were previously protected from each other now compete with one another, and low-cost carriers have emerged (symbolized by Ryanair). The telecommunications sector is now open to fierce competition, whereas previously it was a state monopoly. As a result of the competitive forces unleashed by the single market, the member states have privatized previously nationalized industries and so transformed the European economy. The single-market program was such a pivotal program for the process of European integration that the proponents of the single currency argued that a single market required a single currency—“one market, one currency.”

A properly working market requires a level playing field. For this reason, antitrust is a key EU policy, and one of the few in which the European Commission can act directly without the intermediation of the member states. The DG in charge of antitrust (DG Competition) is one of the most powerful and best regarded directorates-General of the Commission. The Commission tussles frequently with both firms and states over alleged anticompetitive behavior. In 2008, for instance, Microsoft was fined € 899 million, and EU regulators have often sparred with Spain, Italy, and especially France over the way in which they try to protect national firms from foreign takeovers or give them illegal state aid.

**External Relations**

Since the implementation of the single-market program, the EU has become far more active in the area of external relations. The EU has been involved in external relations since the Rome treaties, through the role of the Commission in trade negotiations, as well as through the EU role in development policy. The EU’s development policy dates from the special relationship (primarily in the area of trade) that France insisted should exist between the EU and France’s colonies and overseas territories. The special relationship was strengthened when the UK joined the EC, as its former colonies also benefited from that relationship. The first Lome Convention of 1975 established the cooperative framework between the EC and the developing world with links to Europe. The EU also strengthened its relations with countries of the Maghreb and the Masreq.

Today the EU is the world’s leading development partner in terms of aid, trade, and direct investment. In 2006 the EU and its member states provided more than 55 percent of all official international development aid—and more than twice what the United States provided. Since the vast majority of aid is directly provided by the member states, the EU (and in particular the European Commission) has increasingly, and successfully, focused on coordinating the aid policies of the member states.69 As part of this coordination effort, in 2005 the Council of Ministers, the European Parliament, and the European Commission agreed to a common strategy, the so-called European Consensus on Development, which emphasizes the centrality of human rights, the rule of law, and democracy to the development goals of the EU.

The promotion of human rights and democracy is part of the enlargement process and of the so-called European Neighborhood Policy. This policy offers “good neighborly relations,” but not full-fledged membership, to countries mostly in central Asia and along the southern shore of the Mediterranean. In both cases the EU has connected the benefits of joining or having a preferential relationship with the EU to domestic changes promoting the rule of law, human rights, minority rights, and democracy. These four criteria—known as the Copenhagen Criteria, from the 2002 Copenhagen European Council that formulated them—are part of the express requirements for membership. In 2008 the prospect of eventual membership was even used in a not so subtle manner to sway elections in Serbia in favor of a pro-Western candidate.70

Turkey is a clear case of how this approach works. In spite of the many bumps on the road to eventual membership, Turkey has made significant changes in order to bring its policies and institutions in line with EU requirements. The Kurdish minority has been given cultural rights, and in 2008 Turkey’s parliament passed laws returning confiscated property to religious minorities and eliminating the crime of “insulting Turkishness,” which had been used in recent years to prosecute intellectuals criticizing the country.71
However, the European Neighborhood Policy has been only partially successful in promoting democracy and human rights,72 and there are signs of backsliding even among the new member states. In 2008 Bulgaria's interior minister was forced to retire after he admitted to contacts with crime bosses; in 2007 the EU was disappointed when Romania's justice minister was removed from government for her excessive enthusiasm in fighting corruption.73 In Poland a law requiring the media to respect Christian values has been used to prosecute journalists criticizing the Pope.74 After all, once membership in the EU is achieved, the incentives to adapt to the EU principles might well weaken.

In foreign policy the EU has been slower in acquiring a role, first because foreign policy and international security touch the core of national sovereignty and second because the defense of Europe was left to NATO. The end of the Cold War and the uncertainty of a continued U.S. military involvement in Europe, along with the poor military performance of member states (particularly France) during the first Gulf War led to the creation of the Common Foreign and Security Policy during the Maastricht negotiations.75 Although the Commission has a role in the CFSP decisionmaking process, since it can make proposals to the Council of Ministers, the CFSP maintains a mostly intergovernmental nature. The Council of Ministers (acting based on unanimity) is the sole CFSP decisionmaker. The Lisbon Treaty, however, would introduce some new elements that point to a certain degree of pooled sovereignty. Although some countries that are particularly jealous of national prerogatives have stressed that the position is not that of a minister of foreign affairs,76 the establishment of a high representative of the EU for foreign affairs and security policy goes a long way toward answering Henry Kissinger's famous query about whose number one should call when one wants to speak with Europe. Moreover, the European Parliament would get a foot into the door of the CFSP because the new European diplomatic service is funded by the EU budget and the European Parliament is called to approve the budget.

To this day the EU maintains its nature as a "civilian" power—namely, one that tends to avoid the use of coercive means. However, since its first formulation in the Maastricht Treaty, the CFSP also entails the eventual creation of a genuine EU defense policy, although not in competition with NATO. The first test of the EU's new CFSP was the Yugoslav wars of the early 1990s, in which the EU did not fare well, except in the area of humanitarian aid. The wars ended only when the United States and NATO became involved.

The Treaty of Amsterdam strengthened the commitment of the member states to the CFSP, but it did not become a major area of EU policy until the UK and France, the two major actors in European defense, reached an agreement at a Franco-British summit at St. Malo, France, in December 1998.

Essentially, the UK, a traditional supporter of NATO and concerned that a European defense policy would weaken NATO, agreed to cooperate with European efforts to develop a European capability in security and defense policy. France, which traditionally supported a European defense posture independent of NATO, agreed that such efforts should not weaken NATO. The EU would develop a common defense policy within the framework of the CFSP through summit meetings of foreign affairs and defense ministers. For the first time, defense ministers, who previously had operated solely within NATO, would be brought under the EU's umbrella, although still meeting informally.

Once the Franco-British bargain had been struck—with the UK willing to become more European in its defense policy in return for France's accepting NATO's crucial role in Europe's collective defense—movement came quickly. The Helsinki European Council in December 1999 agreed to develop by 2003 a collective European capability to deploy a rapid-reaction force of 60,000 troops for crisis management operations. These troops would be capable of being deployed at sixty days' notice and remain operational for one year. They would intervene in humanitarian and rescue tasks, as well as in peacekeeping and crisis management (what is referred to in the EU jargon as the Petersberg tasks). Since March 2000 a Political and Security Committee (known as COPS from its French acronym) meets weekly at the ambassadorial level, and a military committee (Military Committee of the EU or EUMC) and a military staff (Military Staff of the EU or EUMS) have been established within the Council's structures to provide the Council of Ministers with military expertise.

The major challenge to the European Security and Defense Policy (ESDP) is in the area of military capabilities. The Europeans, with the exception of France and the United Kingdom, are extremely weak in what is called C3I (control, command, communication, and intelligence). In 2004 the Council of Ministers set up the European Defense Agency (EDA) to address this issue. The EDA's tasks include creating a competitive arms and technology market in Europe, promoting cooperation within the European defense industry, and promoting research and development in defense technology.
Since the goal of the ESDP is not to create a European army, EU–NATO relations are critical. Yet these two organizations had no formal relationship throughout the entire postwar period. Although France initially wanted to keep NATO at arm’s length from the ESDP, it reversed its position in 2000 and agreed to establish four ad hoc EU–NATO working groups. In September 2000, for the first time, the Interim Political and Security Committee and NATO’s Permanent Council met—the first formal high-level contact between the EU and NATO. In December 2002 the EU and NATO reached an agreement whereby the EU may use NATO military assets in operations in which NATO as a whole is not involved. Assurances were given that the ESDP would not affect any vital interest of a non-EU NATO member.

The 2002 agreement allows the EU to launch its own operations under the ESDP. The first military operation began on April 2003, when the EU took over from NATO in Macedonia. A second military operation, without the use of NATO assets, was launched in June 2003 in the Republic of Congo. At the end of 2004, the EU took over the NATO peacekeeping operation in Bosnia. Between 2003 and 2008, the EU has engaged in approximately twenty ESDP operations (not all military, as many involve police forces or trainers in the implementation of the rule of law) and is currently present in places such as Guinea-Bissau, Congo, Afghanistan, and Iraq (although in the latter case most of the EU team is actually based in Brussels). These increased capabilities and willingness to intervene beyond the EU border should not make one forget that cooperation in the CFSP and EDSP remains rather fragile when the EU is subject to strong external pressure. A case in point was the second Iraq war, where U.S. intervention provoked deep fissures—exacerbated by the United States—between member states in favor of it and those opposing it.

DOES THE EUROPEAN UNION MAKE A DIFFERENCE?

The EU now affects a great many people, some of them more directly than others. It makes the most difference for the farmer whose prices and subsidies largely depend on the decisions made by the Council of Agricultural Ministers and the Commission. Fishermen’s catches and allotments are significantly influenced by Brussels. Businesspeople are affected by the provisions of the single market (especially the mobility of capital and the liberalization of numerous once-protected markets), the move to the euro, the Commission’s robust antitrust policy (coordinated with the antitrust policy of the United States in relevant cases), and the EU’s environmental policy. Bankers and investors are affected by the policies of the European Central Bank and the move to a common currency. Environmentalists want to increase environmental protection. Consumers are worried about the safety of the food they eat; soccer players now enjoy “free agency” because of the EU. Women seek equal pay for equal work. Airline passengers benefit from airline deregulation. Retirees can decide to live in another member state. Regional government officials receive funds from Brussels to help their region develop roads and jobs. Patients benefit from more rapid approval of new medicinal drugs now that they fall under the jurisdiction of the EU. Telephone users benefit enormously in terms of both price and level of service from the deregulation of the telecommunications sector pushed through by the Commission. By 2008 everyone living in the fifteen member states using the euro was accustomed to paying their bills with a new currency and relinquishing their old familiar national currency.

By contrast, in areas such as the provision of health care, education, urban policies, social security, and unemployment compensation, national governments retain the right to unilaterally make policy. The EU only indirectly affects these policy areas. The welfare state is largely still under the unilateral control of national policymakers (although its financing is affected by the policies of the European Central Bank). In areas related to economic activity and social regulation (consumer and environmental protection, for example), rather than social services, the EU is particularly relevant. Thus, the EU does not legislate the health benefits that any citizen of any member state is entitled to enjoy. However, the fact that the doctor chosen by a patient may be of a different nationality from the patient occurs because EU regulations recognize medical degrees across borders. The drugs that the doctor prescribes are under EU regulations if they are new to the market, and the competition among firms selling that drug is shaped by EU rules.

Countries outside of the EU are also particularly aware of the EU. The United States must bargain with the EU in important global forums such as the World Trade Organization. Developing countries in Africa and Latin America, for example, compete to export bananas to EU member states. Countries such as Turkey
and Israel have negotiated special trade agreements with the EU. Although at this point in time the EU is not yet a true “military” power, its economic reach and power make it an important international actor.

From the beginning the external economic role that “Europe” would play if organized into a relatively integrated unit was an important consideration for European policymakers. In the field of agriculture, for example, the Common Agricultural Policy allowed the EC to ward off strong American pressure to open up the European agricultural market. This external role was particularly important because the initial EC member states were not “self-confident” states. Their capacities were not in any way similar to that of the United States, a superpower with enormous resources and global power. European integration allowed these states to have much greater influence in the international environment than if they had exercised traditional sovereignty. Public opinion surveys of attitudes among mass electorates, in fact, show high degrees of support for EU activity in the global political arena in all policy areas, not simply those having to do with economics. European elites may emphasize the difficulties of coordinating foreign and defense policies among the European states, but European publics see this as a natural area of joint action. In fact, as we have seen, the leaders of the EU member states are following the lead of public opinion in cooperating more extensively in the field of foreign and security policy.

The EU reflects and fosters the great developments that have changed Europe in the past sixty years: economic progress, democracy, and peace. The common market—created under the military umbrella of the United States that protected Western Europe from potential Soviet aggression—spurred fast economic growth by facilitating trade among its member states. In turn, economic development contributed to the rooting of democracy in those among the original member states that had been fascist dictatorships (Italy and Germany); eventually, the attraction of this area of prosperity facilitated democratic transition both in Southern Europe (Portugal, Spain, Greece) and in the countries under former Soviet domination. Trade, common democratic values, cultural exchanges, and travel, all promoted by European integration, have made armed conflict among the member states unthinkable.

This does not mean that the process of integration has been free of problems. Just like many democracies in Europe and beyond, the EU struggles with a widespread sense of dissatisfaction among its citizens with the way the democratic process works. This discontent is heightened by the often baroque and opaque institutional arrangements that have evolved over time and that reveal the persisting preoccupation of sovereign states with retaining power. Moreover, European integration is far from complete. Only twenty-seven of the forty-one countries of Europe are EU member states. Further enlargement is made difficult not only by economic factors (the uneven development prospects of some nonmembers) and institutional considerations (the absorption capacity of the EU), but also by cultural concerns (as in the case of Turkey) and geopolitical problems (the resurgent confrontation between Russia and the West).

However, if one considers the evolution of the EU over time, one can see that it has tended to deal with some of the key concerns of Europe’s citizens. It addressed economic development in the 1950s (the common market), inflation in the 1970s (the beginning of monetary integration), the environment in the 1980s and 1990s, and issues such as immigration and security in more recent years. If the past is any guidance, the EU will find in itself the flexibility needed to face the problems that Europe’s citizens will consider fundamental in the future.

**REVIEW QUESTIONS**

- What are the challenges brought about by enlargement?
- What are the issues raised by the prospect of Turkey’s accession?
- Why was European integration connected to the “German Question?”
- Which EU institutions are considered the “motors” of European integration?
- Discuss the evolution of the powers and role of the European Parliament in EU policy making.
- Discuss the role of political parties in European Union governance.
Discuss the evolution of the Common Agricultural Policy.
What interests are best represented in Brussels?
In what ways does the EU “protect” small member states from large member states?
What are the main goals of the EU’s Neighborhood Policy?
Discuss examples of supranational and intergovernmental governance in the EU.

KEY TERMS
Committee of Permanent Representatives (COREPER)
Common Foreign and Security Policy (CFSP)
Council of Ministers (Council of the European Union)
Economic and Monetary Union (EMU)
European Central Bank
European Commission
European Council
European Court of Justice
European Economic Community (EEC)
European Parliament
European Union (EU)
Intergovernmental Conference (IGC)
Justice, Freedom and Security
Maastricht Treaty (Treaty of European Union)
Marshall Plan
Members of the European Parliament (MEPs)
North Atlantic Treaty Organization (NATO)
Political and Security Committee (PSC)
presidency of the European Council and the Council of Ministers
President of the Commission
Schuman Plan
single currency (euro)
Single European Act (SEA)
supranational
Treaty of Amsterdam
Treaty of Lisbon
Treaty of Nice
Treaty of Rome

SUGGESTED READINGS
Rosamond, Ben. Theories of European Integration. New York: St Martin’s, 2000.
Alberta Sbragia and Francesco Stolfi


**INTERNET RESOURCES**

The European Commission: [ec.europa.eu](http://ec.europa.eu)

**ENDNOTES**


9. The Schengen area (from the locality where the first agreement was signed in 1985) refers to the EU countries that have eliminated border controls for travel to and from each other. In March 2008, with the inclusion of Estonia, the Czech Republic, Lithuania, Hungary, Latvia, Malta, Poland, Slovakia, and Slovenia, Schengen included twenty-four of the twenty-seven EU countries.


Politics in the European Union


29. It should also be noted that in cases where strong national interests are at stake, MEPs sometimes revert to voting along national lines. This was the case, for instance, with the failed takeover directive. Helen Callaghan and Martin Höpner, “European Integration and the Clash of Capitalisms: Political Cleavages over Takeover Liberalization,” Comparative European Politics 3 (September 2005): 165–189.


36. While the democratic deficit is a problem for many observers, both among academics and in the mass media, it should be noted that not all agree that it is indeed a problem. See, in particular, Giandomenico Majone, “The European Commission: The Limits of Centralization and the Perils of Parliamentarization,” Governance 15 (July 2002): 375–392; and Andrew Moravcsik, “The EU Ain’t Broke” Prospect 8 (March 2005): 38–45.

37. Hix, What’s Wrong with the European Union.


Barber, “The Men Who Run Europe,” II.


For example, see Miles Kahler, Regional Futures and Transatlantic Economic Relations (New York: Council on Foreign Relations Press, 1995).


Frank Schimmelfennig, “European Neighborhood Policy: Political Conditionality and Its Impact on Democracy in Non-candidate Neighboring Countries” (paper prepared for the EUSA Ninth Biennial International Conference Austin, TX, March 31–April 2, 2005).


To get a sense of the policy areas in which the European Union is most important, see Wallace,
Politics in the European Union

