

THE POLITICS OF EUROPEAN INTEGRATION



ANDREW GLENCROSS

WILEY Blackwell

The Politics of European Integration

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The Politics of European Integration

Political Union or a House Divided?

Andrew Glencross

WILEY Blackwell

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The Purpose of This Book

The European Union (EU) is often said to be in crisis. It is criticized by journalists, politicians, non-governmental organizations (NGOs), citizens, and scholars for not doing enough or for doing the wrong things. Yet European integration – the process whereby Europe’s countries formally coordinate their laws, economies, and policies – is now over 60 years old. Despite the crises and the criticism, the EU now undertakes many of the same tasks as a national government. Politics – meaning contestation over how resources are allocated (the economy), who can make binding decisions (institutional design), how authority can be held to account (democracy), how society should be organized (social policy and justice), and how to conduct relations with other countries (foreign policy) – is thus at the heart of the EU.

Twenty-eight different countries make up the member states of the EU, as depicted in Figure 0.1; all have agreed to be bound by a common system of law and to formulate together a variety of policies. Specially created political institutions are used for cooperation on matters such as the economy, the environment, foreign policy, agriculture, and justice. Many of the countries involved also share the same currency, the euro, which is administered cooperatively and is the second most important global currency behind the US dollar. The EU represents nearly 20 percent of global wealth and is the largest



Figure 0.1 Map of contemporary EU

exporter and importer of goods and services in the world. Thanks to the set of international treaties creating EU institutions, citizens and firms have the right to work, live, and do business unhindered across the EU's member states. At the same time, EU law also prohibits discrimination based on gender, race, and disability. Today there are over 500 million EU citizens who benefit from these legal arrangements.

Brussels, the capital of Belgium, hosts some of the most important EU institutions, which makes it the political center of a united Europe. Integration has had a transformative impact on member states, whose leaders meet regularly in Brussels to decide important economic and political issues. Countries beyond Europe recognize this power shift too. Powerful states such as the United States, China, and Russia pay close attention to what the EU does, each having a permanent diplomatic mission in Brussels. A country seeking recognition from the international community now targets diplomatic relations with the EU. Meanwhile neighboring countries seek to join the EU club, which

is conditional on their meeting certain democratic standards and on the agreement of all existing member states.

With all these policy responsibilities, it is no surprise that the EU's performance is often called into question. As members of the EU, individual countries lose a certain degree of autonomy over important political decisions such as how to run the economy, how to control their borders, and how to conduct foreign policy. These countries agree to be bound by EU law, which trumps national law, and they also accept the possibility of being outvoted when it comes to important policy decisions. In return, politicians and citizens across Europe expect policy solutions and material benefits, notably an improved standard of living. With such expectations, some form of dissatisfaction is inevitable.

In fact, there is a laundry list of complaints about the EU. Some argue that the EU is trying to do too much, seeking to expand its competences even when current policies struggle to achieve their objectives. Others claim that member states need greater autonomy because compromise policies agreed upon by 28 countries are not always in the best interests of a particular state. Since the EU relies on national governments to administer EU policies, another complaint is that the mechanism for ensuring that all countries play by EU rules is not sufficiently robust. Finally, there is a concern that EU integration creates winners and losers in economic terms: this means that some groups, and even countries, benefit more than others. The criticism here is that the EU is not doing enough to mitigate the social inequalities that greater economic competition and globalization engender. Indeed some citizens and political parties blame the EU for imposing constraints that prevent national governments from doing more to fight unemployment or from resisting the harmful effects of globalization.

The aim of this book is to make sense of the politics of European integration, which is precisely an exercise in understanding the politics of dissatisfaction by disentangling the strengths and weaknesses of the EU. To accomplish this goal, it is necessary to make sense of what the EU does, as well as of why it functions as it does. The book also examines in detail the often heated debates not only on whether the EU has the right policies and institutions, but also on whether it is sufficiently democratic. That is a lot for a relatively compact introductory textbook. However, since all these questions are interconnected, it is necessary to cover them together, as a whole: doing so systematically is what makes this textbook distinctive. In this way the book is not explicitly tied to a single disciplinary or theoretical approach. Rather the aim is to draw together scholarly insights from comparative politics, international relations, law, and democratic theory so as to provide a thorough survey of the politics behind the creation and functioning of the EU.

Why European Integration Matters

In the first half of the twentieth century Europe was very much at the center of world politics, given that it was the setting for two conflicts that became global wars. Today Europe is at peace, thanks in large part to the institutions created through European integration. It is thus interesting to explore how political and legal integration has helped

overcome conflict and produce cooperation between countries. Another fundamental reason why integration matters is that it is a mechanism for Europe to remain a global player, especially in economic affairs.

Europe's global importance has undoubtedly decreased – EU inhabitants represent only 7 percent of the global population, while economic power has shifted dramatically eastwards. Yet European integration is relevant globally because the EU constitutes the world's most powerful trading bloc, representing a fifth of world trade. Firms from other countries want to sell goods to the EU's 500 million consumers and to make investments there. As a \$16 trillion economy (2012), as large as that of the USA, the EU has great clout in the world economy, providing it has the right policies and institutions to take full advantage of its size.

The EU is also the most successful model of regional integration, a process that continues in Asia, Africa, Latin America, and North America. On these four continents, the Association of South-East Asian States (ASEAN), the African Union (AU), the Southern Common Market (Mercosur), and the North American Free Trade Association (NAFTA) respectively are pursuing cross-border cooperation. These global efforts at regional integration illustrate how international politics is increasingly regulated by a rich array of international organizations and international law. Institutions such as the EU and other regional organizations affect the policy choices available to national governments. Thus, by studying the EU, it is possible to assess the successes and failures of developing policy-making and law beyond the nation-state. It also becomes possible to assess the extent to which these developments help or hinder democracy. From this broader perspective, the EU is perhaps less an anomaly in world politics than a harbinger of the future.

Finally, as governing human societies becomes more complex, political institutions like the EU are expected to do more and more. Tackling policy problems such as migration, climate change, economic development, and human rights protection puts the EU at the heart of global efforts to address fundamentally interconnected issues that cross borders. Hence what the EU does – not just in economic policy but also in environmental matters, foreign affairs, immigration policy and so on – has consequences far beyond Europe, and this leaves it also vulnerable to criticism from outside. That is why understanding the politics surrounding the EU is a matter of importance for students, teachers, and citizens across the world.

The Basic Structure of the EU

As this book assumes no prior familiarity with the EU, it is helpful to lay out some important background facts about what constitutes the political system born of European integration. The easiest way to make sense of the EU is to understand it as a set of institutions trying to make the whole greater than the sum of its parts (individual member states). Unfortunately the result is not something that fits the standard categories of federal state or international organization.

Like a federal state, the EU has a well-integrated legal system, overseen by an independent court that is supreme over national law. Like in any international organization,

member states play a key role in decision-making. Unlike a federal state, the EU is not a sovereign entity, which means that its member states continue to have their own foreign relations and sit in the UN. Unlike an international organization, the EU has its own elected parliament, with real power to amend and reject legislation. There is also a powerful independent authority, the European Commission, which proposes laws, administers policies associated with an annual budget of €150 billion (in 2013), and brings legal cases to the EU's independent court, the Court of Justice of the European Union (CJEU), when member states fail to comply with EU rules. Figure 0.2 represents a simplified model of the interactions between the various institutions constituting the EU system.

This is a simplified depiction of the EU's five main institutions and of the interactions between them that ultimately produce EU policies and law. A more complex explanation is offered in Chapter 4, but a brief discussion of Figure 0.2 is useful at this stage. At the top of the diagram is the European Council, an assembly of all 28 heads of state or government (prime ministers and presidents) that meets periodically in Brussels to set the overall EU policy agenda, coordinate EU foreign policy, negotiate new EU treaties, and generally address big problems of the day. As well as being a major agenda-setter, this body is also in charge of appointing two presidential figures. It appoints the president of the European Council itself, who helps prepare the Council's work and establish consensus among heads of state or governments. The European Council also selects the president of the European Commission, who serves a five-year term, as does the whole College of commissioners.

The Commission itself is an unusual institution, which not only oversees EU policies but also proposes legislation in line with the European Council's overall objectives. These two responsibilities have been delegated by EU countries for the sake of improving cooperation and coordination. The Commission is formed of 28 commissioners (one from each country, including the president), who are in charge of different policy areas, like a cabinet government, although collectively they are referred to as a college. Commissioners are national politicians selected to serve by their governments (not elected by citizens), although the Commission itself is independent of member state control and is tasked with promoting European interests alone. This independence is designed to prevent policies that favor individual member states as well as to enable the Commission to monitor, in a politically neutral fashion, whether countries are meeting all their obligations. The European Commission has three main activities: overseeing existing EU policies, proposing legislation in those (ever increasing) areas where the EU has the power to act, and ensuring member state compliance with EU rules and law.

Whatever the Commission proposes in the form of legislation has to be approved by two decision-making bodies, which are made up of different kinds of representatives. One of the bodies that decide whether to accept a policy proposed by the Commission is the Council of the EU (formerly called the Council of Ministers) – not to be confused with the European Council discussed previously. This institution represents national governments, whose ministers (one from each country) sit in the Council of the EU according to what policy area is being discussed (that is, agriculture ministers discuss agriculture, justice ministers are present when discussing justice). At any one time, an EU country holds the presidency of the Council of the EU for a period of six months.

Introduction

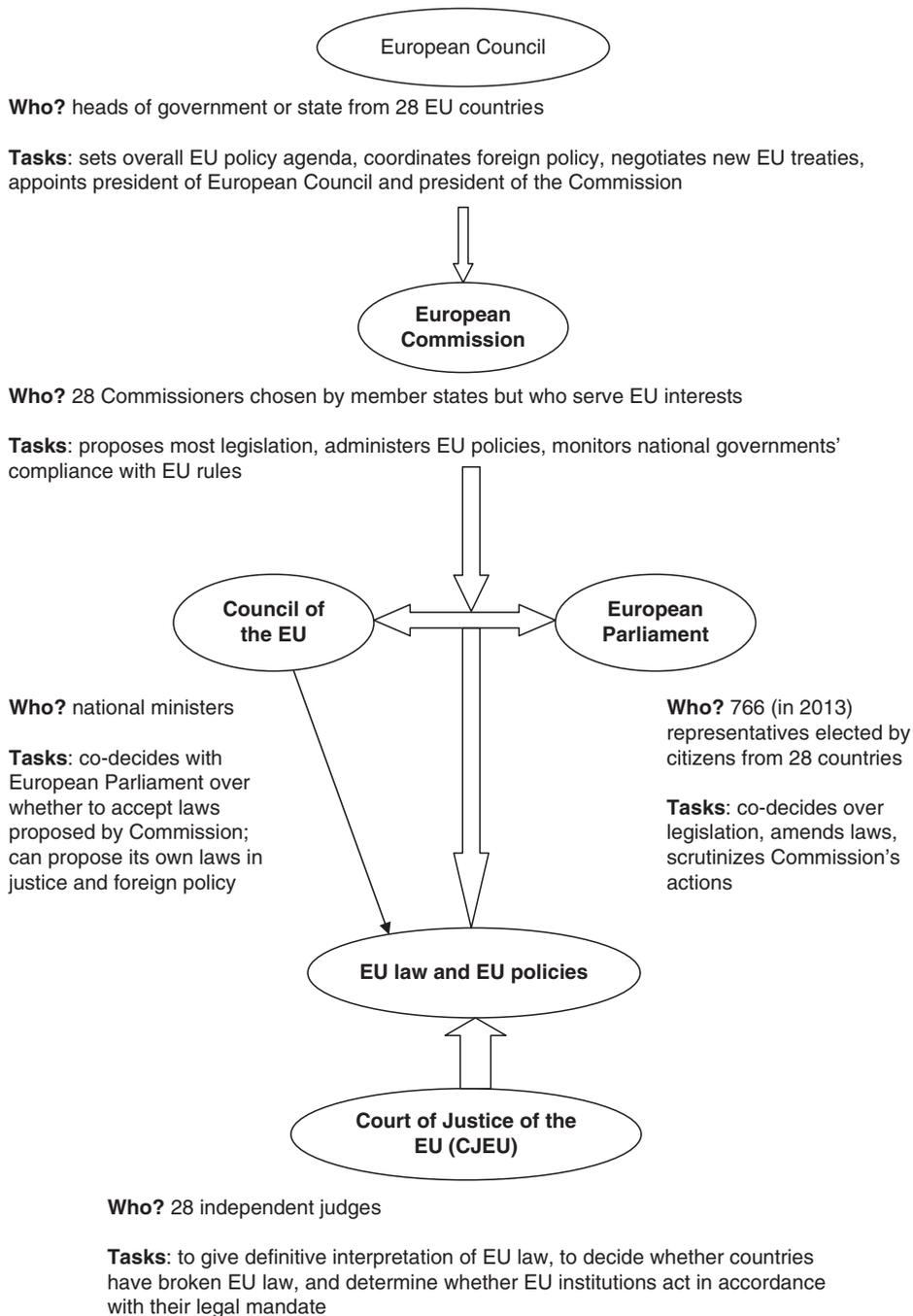


Figure 0.2 Diagram of EU institutional decision-making

Leaders from that country are then responsible for arranging and chairing meetings of the Council, thereby providing political leadership that is a source of prestige for national politicians. In the sensitive areas of justice and foreign affairs, the Council of the EU can propose its own legislation, without relying on the Commission to act (as depicted by the arrow in Figure 0.2).

The other political decision-making body is the European Parliament, whose members, called MEPs (members of the European Parliament), are elected directly by citizens within the different member states. The allocation of MEPs per country is based on population. The parliament also needs to approve the president of the Commission chosen by the European Council as well as give its approval to the entire College of commissioners once the latter has been selected. Moreover, during the five-year term of the Commission, the European Parliament can issue a vote of censure that, providing it has a two-thirds majority, forces the commissioners to resign. So it is a crucial institution for holding the Commission to account. It also plays a fundamental role in scrutinizing and shaping legislation, as no law, except in the area of foreign policy, can pass without its approval. This means that the Parliament is a co-legislator alongside the Council of the EU, both bodies co-deciding on whether to pass laws. Although it has no power to initiate laws itself, the Parliament can amend legislation (a majority of MEPs suffices) as well as ask the Commission to legislate on a particular issue.

The final EU institution on the diagram is the Court of Justice of the European Union (formerly called the European Court of Justice), depicted at the bottom of Figure 0.2 to illustrate its independence from political decision-making; in this it is just like the US Supreme Court. This court is made up of 28 senior judges from across the EU. As the supreme interpreter of EU law, the CJEU is in charge of resolving competence disputes about whether a policy can legally be carried out at the EU level. It also makes a major contribution to EU politics by deciding whether member states meet their EU legal obligations. If the court finds a state in breach of its obligations, it can fine that country's government in order to compel compliance, and governments also have to adapt their laws in response to court rulings. Additionally, the CJEU arbitrates disputes between EU institutions over whether these have acted within their legally defined mandate or not.

Having introduced a description of what the EU looks like, it is also important to grasp what it does. A crucial starting point for getting to grips with the EU's various policies is to understand the division of competences between member states and the EU, which is similar to the division between the powers reserved to the federal government and those left to state governments by the US constitution. Instead of having a document called a formal constitution, the EU is founded today on two international treaties of equal value, signed by all 28 heads of state and government as well as ratified by parliaments in each member state. Articles from each of these treaties are referred to at various points in this book, but both have the same legal weight. One is the Treaty on European Union (TEU) and the other is the Treaty on the Functioning of the European Union (TFEU). Together they set out the EU's values, its decision-making procedures, and, most significantly, its competences.

The EU wields three types of competences: *exclusive*, *shared*, and *supporting*. *Exclusive* means that the EU political system makes all the relevant decisions in the following six

areas: the customs union (e.g. tariffs on imports), monetary policy for countries using the euro (the currency used in 2013 by 17 countries in what is referred to as the “Euro-zone”), competition laws relating to the EU single market (e.g. anti-trust actions, mergers, and acquisitions), common commercial policy (i.e. international trade deals through the World Trade Organization), conservation of marine resources, and the conclusion of certain international treaties. Exclusivity prevents member states from making any independent policy decisions in these policy areas, although the domain of exclusive competences is rather restricted in scope. *Shared* competences are very wide, covering the internal EU market, certain areas of social policy (e.g. worker rights and non-discrimination), agriculture and fisheries, the environment, consumer protection, transport, energy, border control, immigration, justice, and finally common safety concerns in public health. In these policy areas member states can still make their own policies, but any such national legislation has to conform with EU legislation; EU rules in these areas supersede national law, a situation closely monitored by the Commission, which can bring prosecutions for non-compliance with EU rules to the Court of Justice. Finally, *supporting* policy competences allow the EU to provide funds or policy initiatives supporting national policies in areas such as education, research, tourism, and sport. These measures do not constrain how governments legislate in these areas.

Plan of the Book and Learning Objectives

As suggested by the above presentation of what the EU looks like, European integration is a complex topic. Decision-making rules and policy processes are convoluted, and also inherently related to complicated as well as heated political debates. This is because politicians, parties, interest groups, and scholars fight over what European integration should achieve and how it should work. The analytical survey provided in this book is thus designed to supply the tools for understanding the politics of European integration in both theory and practice. Readers can then judge for themselves where they stand on any of the many controversies surrounding this process.

The approach adopted to explain the politics of European integration is to separate this process into its different components and debates. Hence the book is organized into four parts: The History of European Integration; Analyzing Integration; Debating the EU System and Its Policy Outputs; and Democracy and Integration. Each part consists of three chapters that focus on a particular aspect of integration, while the sum of the parts combines to provide a detailed overview of the many complexities behind this political project.

The historical side of integration is covered in Part I, with chapters that explore early proposals for uniting the European continent before detailing the institutional construction of integration that occurred after 1945. Part II provides the analytical framework for understanding how the institutions of today’s EU function, what policies they produce, and how this political system can be compared with others, such as federations and international organizations. Debates about the EU system and the policies it produces are treated in the three chapters constituting Part III. These explore the politics behind EU laws, its foreign policy, and proposals to reform the way integration is

actually organized. Finally, Part IV deals with the interconnection between democracy and integration. Two chapters examine, respectively, how democratic the EU is and what impact integration is having on the functioning of democracy within member states. This part concludes by analyzing the origins of and the response to the Eurozone sovereign debt crisis as indicative of this complex relationship between democracy and integration. This final chapter on the EU's latest crisis thus serves as a conclusion to the book, allowing for a reflection on the state of integration today and on the ongoing political debates it engenders.

What, then, should readers expect to gain from this book? They should attain the following four learning objectives, based on the four sections:

- detailed knowledge of the trajectory and politics behind integration, from early ideas about European cooperation to the present-day EU;
- the ability to analyze how the EU functions, how its institutions interact, and how it compares with other political systems;
- a theoretical and practical understanding of the strengths and weaknesses of EU economic regulatory policy, foreign policy, and its institutional design;
- the analytical tools to consider whether the EU is sufficiently democratic, how integration affects national politics, and how well the EU responded to the Eurozone sovereign debt crisis.

Overall, this means providing a broad coverage of issues, analytical depth, a balanced reflection on the strengths and weaknesses of integration, and the most up-to-date coverage possible. Each chapter also integrates scholarly debates on the various topics covered. Hence the references and further reading provided at the end of each chapter constitute a starting point for individual research, for example for projects and essays. The text also identifies key concepts, key debates, and case studies: these are presented in separate boxes throughout the chapters. Finally, a glossary of key terms accompanies each chapter: this is the place to look when there is a word or concept whose meaning is unclear.

To complement the material presented here and enhance individual research as well as understanding, this book is supported by a companion website, which can be found at www.wiley.com/go/glencross. On the website you will find a list of the web links referred to throughout the book chapters wherever there is a “Web” icon in the page margins. In addition, the website contains a list of further relevant online resources – such as websites for EU institutions, political groups, archives, and think tanks, information on studying abroad, and the biographies of key figures. You will also find self-assessment tools in the form of flashcards and independent study questions, all organized by chapter. As European integration is a moving target, the companion website will be updated periodically, to keep track of current developments.

Part I

The History of European Integration



The Idea of Europe

Foundations and Justifications for Unity

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Learning Objectives

- to identify different political definitions of Europe;
- to analyze the reasons why thinkers called for European unity to replace the balance of power;
- to evaluate why plans for European unity all failed prior to 1945;
- to distinguish between different justifications put forward for European unity;
- to analyze the reasoning behind three different justifications for European unity;
- to evaluate why the idea of uniting to strengthen state capacity is controversial in the context of European social democracy.