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Theories of European Integration: a Geoculture

Perry Anderson



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*Theories of European Integration: a Geoculture*

PERRY ANDERSON\*

I should open my talk this afternoon with an apology. My theme is in one sense a very simple one. But to explore it adequately would require fuller treatment than is possible here. Moreover, even what I do say will no doubt be guilty of a certain astigmatism or ignorance, open to correction. My topic will be a pattern that I can state baldly at the outset. The European Union has, over the fifty years of its existence, generated an enormous literature. Yet – such is the argument I will make - few of the leading contributions to it have been written by Europeans. Virtually all the most original recent work on the Union comes, in one way or another, from America. Europeans are certainly not absent from the landscape of scholarship of Europe. But they do not occupy its commanding terrain. That has become a province of Greater America - that is, of thinkers born, based or formed in the United States. Of the half dozen or so most important recent theorists of European integration, there is scarcely a cis-Atlantic native or career among them. Across disciplines – history, economics, philosophy, jurisprudence – wherever one looks, the pattern is the same. Why this should be so is a puzzle I will consider in conclusion. First, let me illustrate the case – as briefly as I can, but not as briefly as I would wish – I will make.

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Historically, there is one unquestionable starting-point. Few would contest that the first serious theorization of European integration was the work of an American scholar, Ernst Haas, whose study of the European Coal and Steel Community, *The Uniting of Europe* appeared in 1958, as the Treaty of Rome was being ratified, and set a paradigm for analysis of the Common Market that remained dominant across the field for a quarter of a century. Haas's standpoint was, famously, neo-functionalist: that is, focussed on the ways in which the ECSC, sprung from a convergence of interest groups – businesses, parties, unions - in the original Six, had unleashed a dynamic process of integration. In that process, he argued, the interdependence of one economic sector on another would lead, in a slow cascade of spill-overs, to a steadily more extensive pooling of sovereignty in supranational institutions.

Although Haas's intellectual framework derived entirely from the American political science of the period, his motivation was biographical. Coming from a German Jewish family that emigrated from Frankfurt to Chicago in the late thirties, when he was in his early teens, he was led – as he later explained – to study European unity by his boyhood experience of the costs of nationalism. With the re-emergence of General De Gaulle as a decisive actor on the European stage in the sixties, followed by the economic turbulence of the early seventies, Haas came to the conclusion that in underestimating the continuing force of national sentiments, he had over-rated the technical automaticity of integration in Europe. He ended his days writing a massive two-volume comparative study of nationalism across the globe. But his neo-functionalist paradigm, though not without its critics - Stanley Hoffman was an early case - founded a continuing tradition that produced works like those of Leon Lindberg and others, and has remained a central reference point in the field ever since.

In the 80's, Haas's legacy would be sharply attacked by Alan Milward, whose *Rescue of the European Nation-State* argued – no less famously - that the European Community, far from being a supranational project weakening traditional sovereignties, was the product of a continental drive to strengthen them, moved by a post-war search for security – social and national : welfare and defence – that had nothing to do with functional spillovers between interdependent industries. Already in these years, the founding states of the Treaty of Rome produced nothing comparable to this British contribution. Nor, when Milward's later research concentrated on his own country, has continental work compensated. In France, no native scholar could be found to fill the first chair in European studies at the Sciences-Po: a Belgian, René Dehousse, had to be imported instead. In Germany, with its long tradition of *Rechtslehre*, distinguished constitutional theorists like Dieter Grimm have made punctual interventions of note, some in debate with normative philosophers like Habermas. But no syntheses of the order of Kelsen or Schmitt have been forthcoming. In Italy, the European University Institute has rotated many an eminence, but more in the style of an extra-territorial enclave than a native centre of production. In the last decade, the magnetic compass has swung back, more decisively than ever before, to the United States.

Setting the pace has for some time been Andrew Moravcsik's book *The Choice for Europe - Social Purpose and State Power from Messina to Maastricht* (1998), widely hailed as the leading synthesis since Milward. The intellectual background of his work lies in the notion



developed by Robert Keohane and others of an 'international regime', understood as a set of formal or informal principles, rules and procedures determining a common horizon of expectations, and so conduct, for inter-state relations. Bringing this conception to bear on the EU, Moravcsik's manifesto of 1993, 'Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach' took aim directly at the neo-functional tradition. The right starting-point for understanding the process of integration, he asserted, was not what was specific but what was standard in the EU. The Community had to be seen as another variant of a common pattern of international cooperation, requiring no new analytical instruments to capture it, beyond those already supplied by regime theory. In analyzing it, pride of place should be given, not to the role of the European Commission in Brussels, or the Court in Luxembourg, let alone the Parliament in Strasbourg, but rather to traditional bargaining between member governments whose key deals set the terms - and limits - of European cooperation. The principal refinement needed to standard regime theory was simply the inclusion of the domestic politics of each state within the theory. 'Governments', Moravcsik explained, 'evaluate alternative courses of action on the basis of a utility function', shaped 'in response to shifting pressure from domestic social groups, whose preferences are aggregated through political institutions'.<sup>1</sup>

The correct way to look at European integration was thus as an exemplar of 'liberal inter-governmentalism' - liberal in that it supposed private individuals and voluntary associations in civil society as the basic actors in politics, and assumed that increased traffic in goods and services across borders would spur 'reciprocal market liberalization and policy coordination'. This was an approach governed by rational choice theory - essentially an extrapolation of the procedures of neo-classic economics to other domains of life - modelling the conduct of states on the behaviour of firms. 'The essence of the EC as a body for reaching major decisions remains its transaction-cost reducing function', contended Moravcsik. True, this was an international regime which, unusually, involved governments in pooling and delegating elements of sovereignty. But they did so 'as a result of a cost-benefit analysis of the stream of future substantive decisions expected from alternative institutional designs', which led them to prefer the efficiency gains to be realized by arrangements particular to the EC<sup>2</sup>. Since states make rational choices, it follows that they seldom err in their decisions. Governments bargaining for advantage with each other remain firmly in control of the outcomes. 'Unintended consequences and miscalculations' have at best - so Moravcsik - 'played a role at the margins, as they always do in social life'.

*The Choice for Europe* seeks to illustrate this vision by treating the history of European integration as a sequence of five 'grand bargains' between governments, to each of which Moravcsik devotes detailed attention: the Treaty of Rome in the 50's; the creation of the Common Agricultural Policy and the Luxembourg Compromise in the 60's; the European Monetary System in the 70's; the Single European Act of the 80's; and the Treaty of Maastricht in the 90's. The argument is single-minded. At no point, Moravcsik maintains, was European integration driven either by geo-political calculations - France's need to contain Germany; Germany's need to recover respectability; or by federal idealism - Monnet's dreams of supranationalism; or by considerations of social welfare - as Milward,

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<sup>1</sup> *Journal of Common Market Studies*, Vol 31, No 4, December 1993, p 453..

<sup>2</sup> 'Preferences and Power', pp 485, 505, 509

showing a regrettably weak grasp of American social science, had argued. Throughout, the primary motivation in the construction of today's Union has been *just* the commercial interest of the contracting partners. The result of their rational computations has been 'the most successful of postwar international regimes'.

This thesis is hammered home with a mass of dense documentation, most of it revolving around Franco-German relations, with admiring glances at Britain. De Gaulle is cut down to size as little more than a disingenuous lobbyist for French farmers. MacMillan, on the other hand, is hailed as a clairvoyant statesman, whose (failed) bid to get the UK into the Community was 'an extraordinary act of leadership'. Indeed, from the first discussions of a common market at Messina onwards, 'British diplomacy was far-sighted, efficient and well-informed - close to the ideal rational actor'. But in the overall balance-sheet of successive bargains, Moravcsik's narrative intimates, it was Germany that shaped the process of integration most. From Rome to Maastricht, it can gradually be deduced, Bonn was generally more formative than Paris. Italy's part in the story is ignored. The tale is one virtually without mis-steps. Governments, Moravcsik assures us, not only foresaw the immediate consequences of their decisions, 'they almost never misperceived the direction of future change'.<sup>3</sup>

The most effective response to this construction has come in turn from another, younger American scholar, Craig Parsons at the University of Oregon. In a brilliantly executed study of France's part in the history of integration, *A Certain Idea of Europe*, Parsons - coolly dismissing Moravcsik's edifice as 'embedding a poorly supported argument in a largely untested theory', and eschewing all comparable hubris - shows how far the political realities of the French role in the building of Europe were from the utility functions of assorted economic interest groups. After the Second World War French elites, confronted with the problem of avoiding a re-run of their failures after the First, had - Parsons argues - three possible options: traditional realist diplomacy, pragmatic inter-state cooperation led by France and Britain, and direct Franco-German integration within a supranational community. Each was informed by a distinct set of ideas, which cut across Right/Left attachments along the non-Communist spectrum, and set the agenda for decisions. That 'community' approaches prevailed over either confederal or traditional lines of action was never due to pressure in favour of them from domestic lobbies, industrial or agrarian. Under-determined economically, it was the outcome of a 'historic battle of ideas'.

But if a series of leaders - Schumann, Mollet, Giscard, eventually Mitterrand - had sufficient, if nearly always temporary, political leeway to impel integration without there being any organized demand for it, they equally never benefited from it. Elected to office for other reasons, they also fell from power for other reasons, in domestic contests unrelated to European issues. Indeed, every party responsible for a major advance towards European unity was punished at the polls, not thereby but thereafter: the MRP after the Iron and Coal Community (1951); the SFIO after the Treaty of Rome (1958); the UDF after the European Monetary System (1981); the PS after the SEA (1986) and again after Maastricht (1992). Yet each time the step forward, once made,

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<sup>3</sup> *The Choice for Europe*, p.p 176, 131. 491.

acted as an institutional constraint on subsequent leaders, who had originally opposed it, but once in office were turned in favour of it - De Gaulle in 1958, Mitterrand in 1983, Chirac in 1986, Balladur in 1993, Chirac again in 1995. The 'conversion mechanism' was the accomplished fact, and the costs of trying to reverse it: not a spillover, but a ratchet effect.

Parsons is careful not to overstate the success of federalism as its accelerator. Without the community commitments of successive French leaders, he remarks, 'today's Europe would look much like the rest of modern international politics'. But it does not fully represent these either, for although federalist directions prevailed at several crucial stages, they always had to contend with alternative - confederal or traditional - projects that slowed them down or boxed them in, making of the Union that eventually emerged a product of oscillations between the three.<sup>4</sup>

Of entirely different inspiration is the work of John Gillingham, a historian at St Louis, whose *European Integration 1950-2003* offers the first true narrative of the whole process of unification from the time of Schumann to that of Schroeder, in a racy account of the complex story of European unification, on a grand scale. The book's registers run a gamut from theoretical analysis of underlying economic processes to the dynamics of political manoeuvre or surprises of diplomatic settlements. It includes pungent portraits of dramatis personae, and a keen curiosity for ideas - both those that moved leading actors historically, and those developed afterwards to situate them. Its span, not confined to the major states, is virtually continental.

The intellectual convictions governing Gillingham's narrative come from Hayek, to some extent also the Freiburg school of Ordo-Liberals around Walter Eucken and Wilhelm Röpke, mentors of Ludwig Erhard. Politically, this is a tradition on the intransigent right of the spectrum, and Gillingham makes no secret, with many a colourful expression, of his hostility to anything on the left of it. But as a paradigm for understanding the history of the Community, Austrian economics has obvious advantages over the neo-classical variant on which rational choice is based, since as Gillingham remarks, it envisages market systems as inherently unstable - dynamic processes of discovery in which information is always imperfect - rather than as a set of utility functions tending towards equilibrium. Unexpected or ironic outcomes are, necessarily, no strangers to it.

What is then the historical yield of a Hayekian vision of European unity? For Gillingham, two antithetical models of integration have coexisted from the start. Negative integration is the removal of all barriers to the free movement of factors of production within the Community, entrusting the unification of economic life to the natural workings of the market, conceived in Hayek's terms as a spontaneous order. Positive integration is the attempt to orchestrate a set of uniform practices into being by state intervention. For a quarter of a century after the Second World War, the dominant social arrangements at national level, combining capital controls, fixed exchange rates and extensive welfare systems, represented an 'embedded liberalism', more or less throughout the West. Transposed to European level, the effect was an unstable amalgam

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<sup>4</sup> *A Certain Idea of Europe*, Ithaca 2003, pp 27, 235.

of positive and negative integration, in which proponents of the former initially had the upper - though never a free - hand. From Monnet's design of the Coal and Steel Community in 1950 through to the first years of Hallstein's Presidency of the Commission in the early sixties, projectors of a social Europe, to be shaped in the spirit of French indicative planning and German bureaucratic legalism, held the initiative, until Hallstein over-reached himself in 1965, provoking De Gaulle to pull France out of the Council, putting an abrupt stop to further supranational schemes.

But if the empty chair crisis spelt the end of what Gillingham terms 'chiliastic Monnetism' in the EC, it was a much larger change that in due course shifted the balance of forces away from positive to negative integration. This was the 'regime change' that supervened across the advanced capitalist world after the collapse of the Bretton Woods system in the early seventies. Here the term - not a euphemism for overthrowing foreign governments, Gillingham explains - signifies a set of system-wide policy constraints affecting all governments, no matter what their complexion. Just as the great deflation of the Slump years had over time imposed a new regime, governed by the goal of full employment, so the inflation that broke loose in the 70's would eventually create another one, dictated by the imperatives of monetary stability.

With this came the downfall of embedded liberalism, and a revival of the principles of a classical liberalism. Under the new regime, markets were freed from statist interference and international mobility restored to capital. Social expenditures were cut, unions weakened, and corporatist practices abandoned. This great change did not occur either immediately - the seventies were a time of futile attempts to patch up corporatist arrangements - or automatically. It required powerful ideas and political will to give birth to an international consensus. Credit for these belongs to Thatcher's rule in England, inspired by the lessons of Hayek and other critics of the preceding order. By the mid-80's, however, the conditions had matured for European integration finally to swing over in the right direction, with the long overdue abolition of obstructions to an unimpeded single market within the Community. With the sweeping deregulation package of the SEA, drafted by an emissary from London, negative integration, the only viable kind, was at last in the saddle.

Yet its triumph too would be qualified. At the head of the Commission, Delors worked tirelessly against the grain of liberalization, even when apparently yielding to it, hitching Structural Funds - that is, otiose regional subsidies - to the SEA, and manoeuvring towards monetary union. In the end, by pressing European leaders on down the road from the SEA to Maastricht, Delors provoked the furious resistance of Thatcher that led to her fall in London. But his own dreams of a social Europe were no more successful than hers of a truly liberal one. 'Delors's economic plans went down the drain. So, too, did Thatcher's hopes that market reforms would sweep away the detritus of socialism and corporatism. Both leaders eventually parted the scene in anger, convinced the other had won'.<sup>5</sup>

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<sup>5</sup> *European Integration 1950-2003. Superstate or New Market Economy?*, Cambridge 2003, p 230.

Thus although regime change was irreversible, the nineties became a time of misguided schemes and largely frustrated energies. At national level, there was welcome progress with privatization nearly everywhere. The public sector has been reduced by nearly half across the OECD, and state intervention in the economy has contracted sharply. Welfare systems have proved less tractable, but Gillingham can record significant improvements in most countries and commend star performers overall: Finland, Spain, Estonia. But at European level, there was no compelling economic rationale for the introduction of a single currency and no community-wide securities market has issued from it. CAP has not been dismantled, and even the historic feat of enlargement has been marred by mean-spirited Western egoisms. The upshot is a continuing stand-off. Positive and negative integration still confront each other in the Union like cobra and mongoose.

The incompatibility of Moravcsik's and Gillingham's syntheses is plain. What do these rival theories of integration have to say about the present? Moravcsik allows no doubts to cloud an unflinching sunny prospect. The Union has just completed its most successful decade ever, with an enlargement to the east that has cost little and required no significant modification of its already satisfactory institutions. These continue to deliver policies that are 'in nearly all cases, clean, transparent, effective and responsive to the demands of European citizens'.<sup>6</sup> What then of the Constitution? Little more than an unnecessary exercise in public relations whose demise, far from representing a failure of the EU, actually demonstrates its stability and success.

But isn't there, you may ask, any democratic deficit in the Union? Moravcsik's reply is taxative: none whatever - the very question arises from a confusion. The EU deals with issues best handled by experts, of little direct concern to voters: trade barriers, rules of competition, product regulations, legal adjudication, foreign assistance. Insulation of such areas from popular decision-making is not just practicable, it is desirable. Citizens understand this: they have little respect for their parties or parliaments, but hold their armies, courts and police in high regard. Those political issues people do care about, because they are directly affected by them - essentially, tax-rates and social services - are decided at national-level, as they should be, where the Union lacking any independent fiscal base or civil administration, does not impinge. In its own sphere, however, the EU needs to be shielded from demagogic interference by referenda or other hopeless attempts at direct democratic decision-making. 'Forcing participation is likely to be counterproductive, because the popular response is condemned to be ignorant, irrelevant and ideological'. In any case, the wish to democratize the Union is bound to fail, because 'it runs counter to our consensual social scientific understanding of how advanced democracies actually work'.<sup>7</sup> We should never forget that 'political learning, mobilization, deliberation and participation are extremely expensive for rational citizens'. Fortunately, the masses realize this themselves, declining to pay the high costs in time and attention that interest in EU affairs would require.

Gillingham's diagnosis of the current state of the Union, offered in his *Design for a New Europe* (2006), is a far cry from Moravcsik's triumphalism. It tends towards an

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<sup>6</sup> 'The EU ain't broke', *Prospect*, March 2003, p. 38.

<sup>7</sup> 'What Can We Learn from the Collapse of the European Constitutional Project?', *Politische Vierteljahresschrift*, 47, 2006, Heft 2, pp. 227, 221.

extreme alarmism. The repudiation of the European Constitution at the polls is stark evidence of a crisis in the legitimacy of the EU, and one for which there is good reason. Since the era of Delors, bureaucratic corruption, prejudice and meddling have been hallmarks of the unaccountable Commission in Brussels, where only the internal market and competition portfolios have retained integrity. The Parliament in Strasburg remains an impotent talking-shop. For much of the time the Council has been hi-jacked by absurd French projects for a Global Positioning System in outer space to rival the comprehensive American one already in existence, not to speak of rotten deals to extend the life of a moribund Common Agricultural Policy. What credibility could such a retrograde and venal contraption enjoy? The essentially simple tasks of negative integration have been perverted into a machinery of such complexity and opacity that few citizens can make head or tail of it.

Worse, in its resistance to scientific advances in agriculture, the EU has sunk into actual obscurantism. The blockade by Brussels of GM represents a *ne plus ultra* of statist ignorance and incompetence. The same Canute-like attitude threatens to render the EU less and less capable of facing the two greatest challenges it faces today: on the one hand, the momentous transformations under way as a new scientific revolution makes info-, nano- and bio-technology the cutting edge of industrial innovation; on the other, the entry of vast reserves of cheap labour into the world market, available for the mass production of traditional goods at much lower prices than in the past. Lagging behind the US in the first, Europe is already under pressure from China, tomorrow perhaps India or Brazil, in the second.

Less publicly discussed, it is the former that is more critical. Confronted with technological changes comparable to those of the industrial revolution, blurring 'the very distinctions between plants and animals, the animate and inanimate, and even life and death',<sup>8</sup> the EU has been incapable of unleashing the market dynamism needed to compete in them. What is to be done? Gillingham's remedies are draconian. Certainly, the abolition of CAP and liberalization of services are essential. But beyond such measures, whose necessity has so often been bruted without being acted upon, more radical changes are required: nothing less than a true 'bonfire of inanities' that would wind up regional funds, ditch the euro, downsize the Commission, sell off the buildings in Brussels, and convert the Parliament into a small and harmless consultative body. Ideally stretching from Ireland to the Ukraine, a free-trade zone encumbered with no more rules or bureaucrats than EFTA of old, such a Europe would reclaim and extend democracy as the true final purpose of integration. The exasperation of these proposals - half tongue in cheek? - has something of the spirit of the more uncompromising passages in Hayek. What they offer is, in effect, a sweeping demolition plan - negative integration as gelignite under Commission, Parliament, Structural Funds and Monetary Union alike.

In their prescriptive upshots, the accounts of the EU offered by Moravcsik and Gillingham are polar opposites. One would keep everything as it is. The other would level much of it to the ground. Behind such divergences lie two contrasting outlooks,

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<sup>8</sup> *Design for a New Europe*, Cambridge 2006, p.153.

each devoted to the market, but differing completely in their conceptions of public life. The first conceives politics as if it were little more than a branch of economics, subject to the same kind of calculus of utilities, and predictability of outcomes. The second, by contrast, seeks to insulate economics as far as possible from politics, as a system whose spontaneous workings can only be impaired, and risk being destroyed, by government intervention of any kind. Here consequences, in any important sense, are always unintended: to benign effect in the market, to ironic or malign effect, for the most part, in the state.

If citizens of the EU must now look to the US for such leading accounts of the community to which they belong, that is not the only way in which their past and present is being written from a transatlantic vantage-point. The most rigorous thinker to have reflected on the paradoxes of integration is an Italian, Giandomenico Majone, now retired at this institution. Trained in Pittsburgh, he wrote his doctorate at Berkeley, has taught at times at Harvard and Yale. More than stages of a career, however, attach him to the United States. The specialist field he commands, and the sources of his theory of Europe, are peculiarly American. The title of Majone's first book on the subject, *Regulating Europe*, announces his angle of vision. For whereas in the Old World regulation has till recently been a relatively unfamiliar term, in the New it has been a central part of the political landscape for over a century, ever since the Interstate Commerce Act of 1887 first set up a federal commission to regulate the railroads. The result, in Majone's words, has been that 'as every student of the subject knows, in America regulation is a distinct type of policy-making that has spawned a distinct theoretical and empirical literature'.<sup>9</sup> Majone's undertaking has been to bring this body of thought back across the water, to dramatic intellectual effect.

He begins by observing that nationalization was for long the functional equivalent of regulation in America. Wherein then lay the distinction between them? His answer is that it reflected 'significant ideological and institutional differences between the American and European approach to the political control of market processes. The long tradition of regulation in the United States expresses a widely-held belief that the market works well under normal circumstances, and should be interfered with only in specific cases of "market failure" such as monopoly power, negative externalities or inadequate information. In Europe, popular acceptance of the market ideology is a more recent phenomenon'. It would be wrong, however, to treat the contrast as simply a matter of collective beliefs. There is an objective difference, Majone goes on, between nationalization and regulation, that makes regulation inherently superior as a solution to market failures. Public ownership was supposed to serve multiple purposes: industrial development, full employment, social equity, national security. Such goals were not only often incompatible, their very diversity detracted from the pursuit of efficiency, eventually casting the idea of nationalization itself into discredit. Regulation, by contrast, has just one 'normative justification' - efficiency, and so avoids the redistributive tensions, and confusions, generated by nationalization. Whereas redistribution is a zero-sum game in which one group must lose what the other obtains, 'efficiency issues may be thought of positive-sum games where everybody can gain, provided the right solution is discovered. Hence, such issues could be settled, in principle, by unanimity'.

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<sup>9</sup> 'Introduction', in Giandomenico Majone (ed), *Deregulation or re-regulation? Regulatory Reform in Europe and the United States*, London 1990, p 1.

Since, however, ‘unanimity is practically impossible in a large polity’, the task of improving market efficiency is best entrusted to expert regulatory agencies. The key feature of these, as they gradually evolved in the United States, came to be delegation: that is the abandonment by the state of any attempt to direct the work of the agencies it had created to regulate the market, leaving this to the discretion of those it appointed to them. In Europe, realization of the advantages of this arrangement was long delayed. There, Majone remarks, the first ‘nationalizations coincided with the first worldwide depression of the capitalist economy (1873-1896) which shattered popular and elite support of the market for almost one century’.<sup>10</sup> By the 1980’s, however, this had finally changed. It was Britain that led the way, with the privatizations of the Thatcher years. The growth of regulation in the UK, as subsequently on the continent, has thus been the complement to the advance of privatization – that is, a set of agencies whose task is to ensure that firms do not abuse monopoly power as the state once did, or generate an excess of externalities. As this pattern spreads, the balance of functions performed by the modern state alters, shifting away from the provision of welfare or stabilization of the business-cycle towards a more indirectly regulative role. There is no reason to be shocked by this change, which accords with long-standing principles of the modern *Rechtsstaat*. ‘Within the non-majoritarian model of democracy - which is just another name for constitutional democracy’, Majone writes, ‘reliance upon such qualities as expertise, credibility, fairness or independence has always been considered more important than reliance upon direct political accountability’ - if only ‘for some limited purposes’.<sup>11</sup>

The nation-state, of course, remains a multi-purpose creation: although the balance of its activities may have changed, it continues to provide for welfare, stability and defence, as well as regulation. The essence of the European Union, however - this was Majone’s master-stroke - is to be *just* a regulative authority writ large: that is, a form of state stripped of redistributive or coercive functions, purified to maintenance tasks for the market. In practice, to be sure, *ad hoc* programmes of sectoral or regional redistribution - a lamentable common agricultural policy and the like - have been tacked onto the EU. But these can be regarded as adventitious accretions that do not alter its overall character, which is unprecedented. It is a ‘regulatory polity’. The reason why the EU distils in a unique concentrate a more general, diffuse transformation of the modern state is that, just because it possesses no independent powers of taxation, it must make do with a tiny fraction of the revenues at the disposal of its member states. Yet there is a virtually inbuilt drive within the Commission to expand its authority by an alternative route ready to hand, via the multiplication of technical directives from Brussels. For the beauty of regulation is that it requires minimal funding – just the salaries of a handful of experts – since the costs of regulation are borne, not by the regulatory authority, but by the firms or individuals subject to its rulings.

But if the commanding function of the EU is regulatory, what then is its distinctive structure? Here Majone moves from an American to a European tool-box, drawing on an

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<sup>10</sup> ‘The Rise of the Regulatory State in Europe’, *West European Politics*, 17, 1994, p. 81.

<sup>11</sup> ‘The Politics of Regulation and European Regulatory Institutions’, in Jack Hayward and Anan Menon (eds), *Governing Europe*, Oxford 2003, pp 311.



interest in the history of political thought and a gift of crisp conceptual clarity that are characteristically Italian, recalling something of Norberto Bobbio or Giovanni Sartori. *Dilemmas of European Integration* (2005) argues that the Union is not, and will not become, a federation, because it lacks a *demos* capable of either creating or supporting one. But nor is it a mere inter-governmental regime. Rather, in a classical, insufficiently remembered, sense of the term, the EU is a confederation, as Montesquieu once conceived it. What does this mean? That the underlying form of the Union is a 'mixed constitution' of the pre-modern type, formulated in Antiquity by Aristotle and Polybius, and realized in mediaeval and pre-absolutist realms as a polity composed 'not of individual citizens but of corporate bodies balanced against each other and governed by mutual agreement rather than by a political sovereign'. The confederal character of the EU lies in its projection of this design to inter-state level. Displaying neither separation of powers, nor division between government and opposition, nor significant polarity between Left and Right, the 'prime theme of the internal political process' in the EU is rather a jockeying among autonomous institutions - the Commission, the Council, the Court, the Parliament - over their respective prerogatives. 'Policy emerges as an epiphenomenon of this contest rather than from opposing ideological positions'.<sup>12</sup>

In such a system, it makes no sense to speak of popular sovereignty, something which can have reality only at national level, which is where electorates want to keep it - so much so, that the more powers the European parliament acquires, the fewer people bother to vote for it. 'It follows that Europe's "democratic deficit" is, paradoxically speaking, democratically justified'.<sup>13</sup> What are then the benefits of the confederation? For Majone, though the Treaty of Rome showed some traces of *dirigisme*, unavoidable in that bygone era, its governing principle has remained the salutary maxim of economic liberalism: the separation of *dominium* from *imperium* - property from rule, the market from the state.

Yet, although approving the general structure of the Union as he construes it, Majone shows little of Moravcsik's complacency. The failure of the European Constitution was not a bagatelle, let alone a sign of success. The draft Treaty included at least one significant feature that would have crystallized the EU's true character as a confederation, namely the right to secession; so too its provisions for common arrangements in defence and foreign policy, tasks appropriate to a confederation. The defenestration of the Constitution by voters expressed a growing popular distrust of the Union, which lacks the seal, not of political legitimacy - there is no popular desire to democratize it - but of economic performance.<sup>14</sup> Since, however, the central purpose of the EU is economic, its lacklustre showing in both employment and productivity growth, across an entire business cycle - 1995-2005 - cannot but undermine its legitimacy.

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<sup>12</sup> *Dilemmas of European Integration. The Ambiguities and Pitfalls of Integration by Stealth*, Oxford 2005, p. 50..

<sup>13</sup> *Dilemmas of European Integration*, p.40

<sup>14</sup> See: 'Is the European Constitutional Settlement Really Successful and Stable?', *Notre Europe*, October 2006, p.5 - an intervention that is a direct response to Moravcsik.

The location along the ideological spectrum of the three leading accounts of the Union thus far considered is clear enough. Spanning the significant differences between Moravcsik, Gillingham, and Majone are a set of overlapping commonalities. Hostility to any smack of federalism; minimization of the bearing of classical democratic norms; superiority of negative to positive integration; preference for voluntary over mandatory regulation; rejection of welfare barriers to market dynamism - no one analysis or prescription features all of these in equal measure, but there is a family resemblance between them. Conventionally speaking, they represent a phalanx of neo-liberal opinion, more or less pronounced or nuanced as the case may be. Where they diverge most sharply is in prognosis. Essentially agreeing what the Union should be, they vary widely as to whether it is likely to become what it ought. Moravcsik displays a eupheptic optimism *à toute épreuve*, Majone expresses an unexpected pessimism, Gillingham gives voice to an agitated alarmism.

At other points along the spectrum, there is less congregation of authority. Conceptions that break with the premises of the neo-liberal consensus are more dispersed and isolated, though by no means intellectually weaker. Here too, however, it is thinkers from America who make the running. The leading cases come, respectively, from philosophy, jurisprudence, and comparative politics. Larry Siedentop's *Democracy in Europe* (2000) - his title echoing Tocqueville's *Democracy in America* - stands out as a refreshingly eccentric, that is, old-fashioned and independent-minded, vision of dangers in the Union, and remedies for them. A career at Oxford has left its mark on Siedentop, but his starting-point could not be more squarely American. Federalism is a US invention, inscribed in the Constitution of 1787. Can Europe ever hope to emulate it? Montesquieu had believed there could be no liberty in a modern state that was of any size, without an aristocracy capable of restraining royal power. By devising a constitution that preserved liberty in a vast republic, Madison proved him wrong: a federation in a commercial society could realize what intermediary bodies had secured in a feudal society, without benefit of a nobility. Tocqueville, who first understood this, saw too the distinctive configuration that sustained America's successful federalism: a common language; common habits of local self-government; an open political class composed mainly of lawyers; and shared moral beliefs, of Protestant origin. Binding the new structure together, moreover, was - unacknowledged - the ghost of Britain's imperial state, that had accustomed the colonists to a single sovereign authority, now reinvented as a federation with powers of taxation and means of coercion.

Europe, by contrast, remains divided by a multiplicity of languages and sovereignties, ancient states with distinct cultures and no experience of common rule. Nor does it possess anything that resembles either the social stratum or credal unity that buoyed the young liberal republic in America. On the contrary, it still bears the scars of a destructive anti-clericalism, and a divisive class consciousness, unknown across the Atlantic - calamitous legacies of the eighteenth and nineteenth centuries, fortunately now attenuated, yet not entirely effaced. In one sense, such burdens of the past render all the more remarkable the steps towards unity achieved by Europeans since 1950. But if their outcome remains not only incomplete but unhappy, the reason lies also, and above all, in the ideological drought of the present. For, Siedentop argues, Tocqueville could only contemplate with melancholy what has happened to liberalism since his day, its rich vision of human flourishing

dwindled to the thin alternatives of a utilitarianism of wants or contractualism of rights. In this reduction, any active conception of citizenship vanishes. We are left with the roles of a mere consumer or litigant.

The result has been a conception of European integration dominated by an arid economism, as if the Union were solely a matter of market efficiency. Such a narrow calculus has naturally been unable to engage popular imagination, leaving a void that could only be filled by competing governmental projects. Here just one contender has had a coherent vision. Britain, still without even a written constitution, and in the grip of a political culture continuing to rely on customs rather than ideas, is in no position to propose a compelling future for the Union. Germany, though itself possessing a federal framework that could in principle offer a mock-up of arrangements for a European federation, remains disabled by guilt for its still too recent past. It is France alone that has had the institutional apparatus and political will to impose a design on the EU, whose formative years coincided with its own post-war recovery. The result is a Union to a large extent created in its own *étatiste* image - a centralizing administrative structure, in which decisions are reached behind closed doors by power-brokers in Brussels.

In France itself, this famously elitist, rationalist model of government, descending from Louis XIV, through the Revolution and Napoleon, has time and again fomented its antithesis: anarchic rebellion in the streets, popular risings against the state. The great danger facing the European Union, as a still more remote version of the same bureaucratic style of rule, is that one day it too could provoke such mass rejection - civil disorders on a continental scale. Today's combination of economism and *étatisme* is a toxic formula for future unrest. A wide-ranging political debate is needed to prevent Europeans feeling that the EU is merely the resultant of 'inexorable market forces or the machinations of elites which have escaped from democratic control'.<sup>15</sup> The Union requires new foundations.

What should these be? Siedentop's answer takes him back to America. For a genuine federation, composed of active local self-government rather than a system of bureaucratic directives, Europe needs an open political class, communicating in a common language, and a shared set of beliefs, shaping a moral identity. To create the first, he recommends a small and powerful European Senate, composed of leading parliamentary figures from each country elected by, and serving concurrently in, their national legislatures. English, thankfully already widespread as the informal Latin of the continent, should become the official language of the Union, in which Senators could get to know each other as intimately as their counterparts on the Hill. Meanwhile, less exclusive recruitment to the legal profession - where Britain is a particularly bad offender - should gradually supply the human material of a new political class, in a European system that is anyway already highly juridified.

There remains the trickiest question of all. Where is Europe's counterpart to America's civil religion - Tocqueville's 'habits of the heart' - to come from? Faithful to US example here too, Siedentop replies that a liberal constitution for Europe would in itself be an answer, affording a moral framework in which individuals become conscious of their equality as citizens, and so functioning in the fashion of a surrogate religion, as 'a source of identity

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<sup>15</sup> *Democracy in Europe*, London 2000, p. 1.

and right conduct'.<sup>16</sup> But is a mere surrogate quite enough - don't Americans, after all, rely on the original article as well? To the scandal of Moravcsik, Siedentop does not flinch from following his argument through. Liberal constitutionalism is indeed just the latest frontier of Christianity, as the world religion that historically combined universalism and individualism, its moral equality of souls before God leading eventually to an equal liberty of citizens under the state.

For a European democracy to acquire cohesion and stability, without sacrificing individualism, this link needs to be recovered. A weak-minded multi-culturalism substituting for it should be rejected. The Union must assume its tolerant, but not shame-faced, underlying Christian identity. All this will take time. Siedentop ends on an Augustinian note. Europe needs something like its own version of the complex federalism that took shape in America, but not yet. To rush towards the goal in current conditions, before the Union is ready for it, could only produce the caricature of a federation, dominated by an elite without any true sympathy or understanding for federalism.

Philosophical and legal approaches to the EU are necessarily quite distinct, but in moving from one to the other, we remain in Greater America. Of Israeli origin, the jurist Joseph Weiler, after teaching at Michigan and Harvard, now holds a chair in New York. Since law in a virtually pure state, without any of its normal accoutrements of administration or enforcement, is the defining medium of the EU, lawyers play an enormous part in both the workings of the Union and the meanings extracted from them. So it is not altogether surprising that even a heterodox legal mind can play more of a role in its affairs than orthodox eminences in other disciplines. Weiler's services to the Union include helping to draft the European Parliament's Declaration of Human Rights and advising the Commission on the Treaty of Amsterdam.

The central chapter of Weiler's major work *The Constitution of Europe*, entitled 'Fin-de-Siecle Europe: do the new clothes have an emperor?', sets the note. What kind of a polity is the EU? Weiler disposes of inter-governmental and confederal paradigms without ceremony, as 'wishful ideological thinking' that not only 'masks serious problems of social control and accountability' but induces 'complacency as regards the assault on democracy that the Union often represents'.<sup>17</sup> If the EU is not captured by either of these descriptions, it is because the Community, though historically it has often strengthened its member-states, cannot be reduced to a design of which they remain the masters, even if this was what they intended. Rather, in many ways 'the Community has become a *golem* that has ensnared its creators'.<sup>18</sup> The European Court of Justice is a prime example of this involuntary sorcery. Weiler offers a scintillating analysis of the changing functions and fortunes of the Court, showing the way in which it seized the initiative in establishing an ever-widening supranational jurisdiction that caught governments unawares, before eventually triggering a reaction from them that took the

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<sup>16</sup> *Democracy in Europe*, p. 101.

<sup>17</sup> *The Constitution of Europe*, Cambridge 1999, p.269.

<sup>18</sup> *The Constitution of Europe*, p.xi.

form of stepping up the role of the Council of Ministers and its diplomatic minions in Brussels, at the expense of the Commission. In this dialectic, developments on the legal and political planes moved in opposite directions, both of them departing from the Treaty of Rome.

Although Weiler admires the work of the Court, he warns against excessive celebration of it. Ever since the Court attracted greater public attention, and increased its case-loads, it has become far more cautious, no longer playing much of a dynamic role in today's Union. The Council of Ministers and its Committee of Permanent Representatives (COREPER) - the secretive hub of most deal- and decision-making in Brussels - have, on the other hand, certainly not drawn in their claws. For Weiler, the Council not only distorts a proper distribution of powers at Union level, by exercising executive control over legislative activity, but castrates parliamentary authority at national level by the volume, complexity and timing of decisions passed down for their nominal approval. The European Parliament, with its huge constituencies and feeble powers, is no counterweight.

The upshot of this institutional drift is bleak. In the beginning, the Community stood for ideals of real significance in post-war Europe: peace, prosperity, and supranationalism. Today, the first two are banalities, and the third has been reduced to banknotes. 'The Europe of Maastricht no longer serves, as its grandparents the Europe of Paris and Rome, as a vehicle for the original foundational values'. Already with the Single European Act, not just a technocratic programme for the free movement of factors of production was in train, but 'a highly politicized choice of ethos, ideology and culture', enthroning the market as the measure of social value. In this Europe, where politics is increasingly commodified, individuals are indeed empowered, but as consumers, not as citizens. Nor is enlargement changing this: for, as the prevailing idiom would put it, 'when a company issues new voting shares, the value of each share is reduced'.<sup>19</sup> Public life risks sinking into rounds of bread and circuses, without further dignity or legitimacy.

What is to be done? Weiler, no enemy of markets as such, would have them conceived in the spirit of Paine rather than Friedman, as forms of sociability as well as exchange, arenas 'for the widening of horizons, for learning about and learning to respect others and their habits' - hence in themselves a kind of community too.<sup>20</sup> Citizenship, however, is a political bond, and the issue posed since Maastricht is how it can be made effective simultaneously at national and at supranational level. With a sly wave to Marcuse, Weiler casts this as the problem of conjoining eros and civilization: the nation as abiding, existential focus of romantic attachments, the Union as modern framework of an enlightened reason, each as necessary for a democratic Europe as the other.

On this alternative terrain, one distinguished mind has envisaged a far more sweeping reconstruction of the Union. Philippe Schmitter, originally a pupil of Haas at Berkeley, later teacher at Chicago and Stanford, stationed here in Florence since the turn of the century, published in 2000 what remains in many ways the most remarkable single reflection on the EU to date, *How to Democratize the European Union...and Why*

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<sup>19</sup> *The Constitution of Europe*, pp258, 59, 264.

<sup>20</sup> *The Constitution of Europe*, p.256.

*Bother?* Typically, although a shorter early draft exists in Italian, this arresting work has never been translated into any other European language of the Union, testimony enough – one might think – to the provincial indifference with which the Union has abandoned thought of itself to others. As a systematic set of proposals for political change of visionary scope and detail, this text recalls another age, as if written by a latter-day Condorcet. Exercises of this kind normally belong to a utopian style of thought, indifferent to constraints of reality. But a more worldly temperament, in every sense, than Schmitter's would be hard to find. The second part of his title expresses the spirit of the other side of his intelligence, an ironic detachment closer to a descendant of Talleyrand. The crossing of two such antithetical strains makes for a work unique in the literature on the Union.

Schmitter begins by noting that the EU is neither a state nor nation. Although it has irrevocably crossed the threshold of any mere inter-governmental arrangement, it displays neither the coincidence of territorial and functional authority that defines a state, nor the collective identity that marks a nation. Few of those subject to its jurisdiction understand it, and with good reason. 'The EU is already the most complex polity that human agency has ever devised'.<sup>21</sup> It is plainly far from anything that could be described as an accountable structure under popular control. What would it take to democratize it? Little less than a reinvention of three key institutions of modern democracy: citizenship, representation and decision-making. Schmitter coolly specifies an agenda for the transformation for each. Of the tenor of the resulting sixteen, sardonically designated 'modest proposals', it is sufficient to indicate the following: To promote a more active liberty in the Union – direct referenda to coincide with elections with the European Parliament, themselves to be held electronically over an entire week, with voters having the right to determine the longer or shorter terms of office of their favoured candidates. To make for the first time a reality of universal suffrage – multiple votes for adults with children. To foster social solidarity – denizen rights for immigrants, and conversion of the total monies now spent on CAP or Structural Funds into a 'Euro-stipendium' to be paid to all citizens of the Union with an income less than a third of the European average.

How does Schmitter himself view the social context in which he offers these and many other, no less iconoclastic, reforms? Not with the lens of the *philosophe*, but the lorgnette of the Congress of Vienna. There is, and for the foreseeable future will be, no popular demand or spontaneous pressure from below to democratize the Union. So why bother with schemes to render it more accountable? The reasons can only lie in underlying structural trends, which could eventually erode the legitimacy of the whole European enterprise. One of these are 'symptoms of morbidity' in national political systems themselves: distrust of politicians, shrinkage of parties, drop in voter turn-out, spread of beliefs in corruption, growing tax evasion. Another is decline in the permissive consensus that the process of integration once enjoyed, as Europeans have become increasingly bemused and restive at secretive decisions reached in Brussels that affect more and more aspects of their existence. National leaderships lose credibility when major policies issue from bureaucratic transactions in Brussels, without Union

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<sup>21</sup> *How to Democratize the European Union... and Why Bother?*, Lanham 2000, p.75.

institutions themselves gaining transparency or authority. Democratization, Schmitter concludes, can still be deferred. But not indefinitely.

Schmitter's reflections end with a final, disabused twist. Where is the force that might take up his programme? One historical agent has been unequivocally strengthened by the EU, he writes. 'That is the European bourgeoisie'. Could it rise to the challenge? Alas, it is too comfortably ensconced in power as it is, with little reason to alter the status quo. 'Ideologically, its "liberal" positions have never been more dominant; practically, its "natural" opponent, the organized working-class, has been weakened'. Were integration to come under threat from below, it would be much more likely 'to seek retrenchment behind a phalanx of technocrats than to take the risk of opening the process to the uncertainties of transparency, popular participation, mass party competition, citizen accountability and redistributive demands'.<sup>22</sup> There is an echo here of Weber's disappointment with the German bourgeoisie of his time. But in the EU, no quest for a charismatic leader to resolve the impasse – Weber's solution – could be of avail. Perhaps after all, democratization of the European polity, like liberalization of the economy before it, will have to come like a thief in the night, overtaking all agents – elites and masses alike, if in uneven measure – before any are fully aware of what is happening.

From Haas through Moravcsik to Parsons and Gillingham, Majone and Siedentop, Weiler and Schmitter – and not a few other names and works, even disciplines, could be added – we are looking at what might be called, without exaggeration, a geoculture. What explains this strange pattern of expatriation – it would plainly be wrong to speak of expropriation – of European studies, understood as enquiry into the past and future of the Union? American dominance of the field in part, of course, no doubt reflects the famously greater resources, material and intellectual, of the US university system, which assures its lead in so many other areas. There is also the longer tradition and greater prominence of political science in the US, the discipline for which European integration is the most obvious hunting-ground. More generally, an imperial culture has to monitor major developments around the world: it could be argued that contemporary China or Latin America do not differ substantially from Europe, so far as the balance of scholarship is concerned.

Yet it is difficult to avoid the feeling that there is also a more specific factor at work. The United States remains the most unchanging of all political orders, its constitution petrified apparently forever in its eighteenth century form. In the title of a recent study, it is the 'Frozen Republic'. Europe, on the other hand, has now been the stage of a continuous political experiment for half a century, with no precedent and still no clear end in sight. The novelty and restlessness of this process seem to have made it a magnet of attraction for minds formed in a culture at once constitutionally saturated and paralyzed, offering an outlet for intellectual energy frustrated at home. That, at any rate, would be one reading of the situation.

But there is, all too plainly, a further and final strand in the tangle of reasons why it should be that ideas from America have captured the narratives of Europe. The drift of the Union has been towards their historic presuppositions, in the gradual

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<sup>22</sup> *How to Democratize the European Union*, pp 128-129.

metamorphosis, still under way, suggested by Majone. The result is something like a new ideological affinity between subject and object. Another way of considering this would be to say that Europe has, to a striking extent, become the theoretical proving-ground of contemporary liberalism. Nowhere are the varieties of that liberalism on such vivid display as in the deliberations on the Union. Even within the span of neo-liberal interpretations, the contrasts are notable. Moravcsik offers a technocratic version, Gillingham a classical economic version, Majone a non-majoritarian version. Set apart from these, and differing again, are Seidentop's classical political version, Weiler's communitarian version, Schmitter's radical-democratic version. At one extreme democracy as understood in a traditional liberal conception is all but extinguished; at the other extreme, all but transfigured. Keohane, Hayek, Montesquieu, Tocqueville, Paine are among the variegated inspirations of this array. Do they exhaust the possibilities of describing the Union? Tocqueville's words about America itself come back: 'One has found a form of government that is neither precisely national nor federal; but one stops there, and the new word that should express the new thing still does not exist'.<sup>23</sup>

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<sup>23</sup> *Democracy in America* (eds Harvey Mansfield and Delba Winthrop), Chicago 200, p 149.