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WEB LINKS

Most of the EU's institutions have their own website which can be accessed through the EU's official portal site, 'The European Union online' (www.europa.eu). Below are the specific official websites of some of the institutions introduced in this chapter:

- European Commission: http://ec.europa.eu/index_en.htm
- Council of Ministers: http://ue.eu.int/
- European Parliament: http://www.europarl.europa.eu/
- European Court of Justice: http://curia.europa.eu/
- Court of Auditors: www.eca.eu.int.
- Economic and Social Committee: http://eesc.europa.eu/
- Committee of the Regions: http://www.cor.europa.eu/
- European Central Bank: www.ecb.int

Anyone brave enough to consider working as an intern or stagiare in one of the EU's institutions can find out more at http://ec.europa.eu/stages/. For recent updates on institutional developments, especially in relation to treaty reform, see www.euractiv.com. The London-based University Association for Contemporary European Studies (UACES) (www.uaces.org) announces regular workshops and lectures on the EU institutions held in the UK and (occasionally) on the European continent. For information on conferences and lectures held in the US, see the website of the US European Union Studies Association (EUSA) which can be found at www.eustudies.org.

Visit the Online Resource Centre that accompanies this book for additional material: www.oxfordtextbooks.co.uk/orc/bomberg2e/

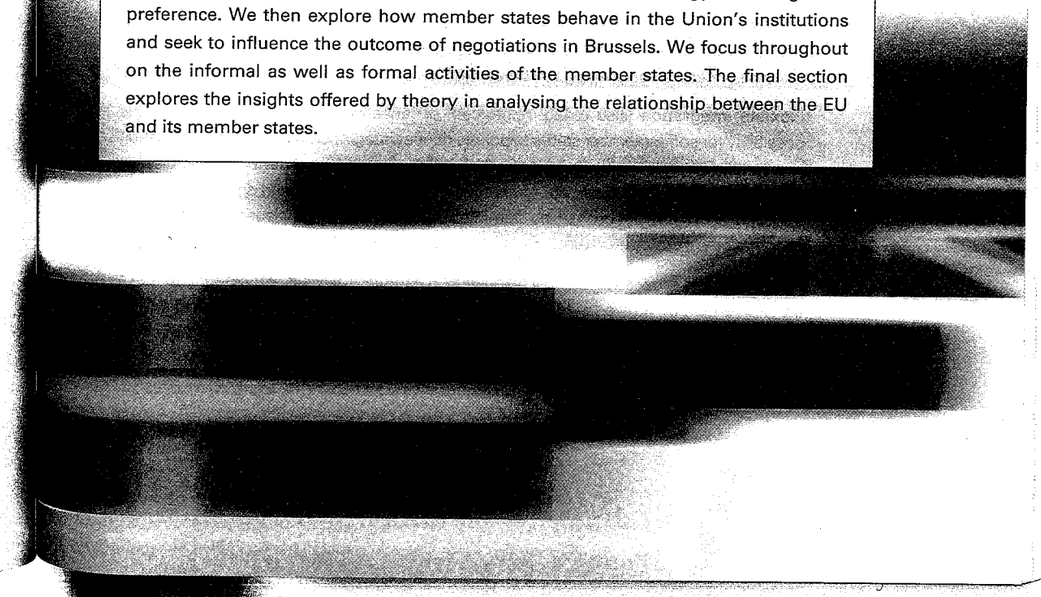
CHAPTER 4

Member States

Brigid Laffan and Alexander Stubb

Chapter Overview

This chapter focuses on the European Union's (EU's) most essential component: its member states. It examines six factors that determine how any state engages with the EU: date of entry, size, wealth, state structure, economic ideology, and integration preference. We then explore how member states behave in the Union's institutions and seek to influence the outcome of negotiations in Brussels. We focus throughout on the informal as well as formal activities of the member states. The final section explores the insights offered by theory in analysing the relationship between the EU and its member states.



Introduction

States are the essential building blocks of the EU. Without states there is no EU. All EU treaties are negotiated and ratified by the 'high contracting parties': that is, the governments of the member states. By joining the EU, the traditional nation-state is transformed into a member state. This transformation involves an enduring commitment to participate in political and legal processes that are beyond the state but embrace the state. Membership of the Union has significant effects on national systems of policy-making, on national institutions, and on national identity, **sovereignty**, and democracy. Put simply, once a state joins the Union, politics may begin at home but they no longer end there. National politics, polities, and policies become '**Europeanized**' (see Box 4.1).

Member states shape the EU as much as the EU shapes its member states. The decision to join the Union is a decision to become locked into an additional layer of **governance** and a distinctive form of 'Euro-politics', which is neither wholly domestic nor international but shares attributes of both. This chapter explores this interactive dynamic. We tackle questions such as: what is the role of the member states in the EU system? What is it about the EU that has led the member states to invest so much

BOX 4.1 Key concepts and terms

Acquis communautaire is a French phrase that denotes the rights and obligations derived from the EU treaties, laws, and Court rulings. In principle, new member states joining the EU must accept the entire *acquis*.

Demandeur is the French term often used to refer to those demanding something (say regional or agricultural funds) from the EU.

Europeanization is the process whereby national systems (institutions, policies, governments, and even the polity itself) adapt to EU policies and integration more generally, while also themselves shaping the European Union.

Flexible integration (also called 'reinforced' or 'enhanced cooperation') denotes the possibility for some member states to pursue deeper integration without the participation of others. Examples include EMU and the **Schengen Agreement** in which some member states have decided not to participate fully. The Amsterdam and Nice Treaties institutionalized the concept of flexible integration through their clauses on enhanced cooperation.

Tours de table allow each national delegation in a Council of Ministers meeting to make an intervention on a given subject. In an EU of 27 member states *tours de table* have become less common. If every minister or national official intervened for five minutes on each subject, the Council would not get any business done.

in the collective project? How do member states engage with the EU? What factors determine how any member state behaves as an EU member?

Six Determining Features

The twenty-seven member states bring to the Union their distinctive national histories, state traditions, constitutions, legal principles, political systems, and economic capacity. A variety of languages (there are 23 official working languages in the EU) and an extraordinary diversity of national tastes and cultures accentuate the mosaic-like character of Europe. The continental enlargement of the Union (twelve new states since 2004) has deepened its pre-existing diversity. Managing difference is thus a key challenge to the Union. To understand how the EU really works, we must seek to understand the multinational and multicultural character of the European Union and its institutions.

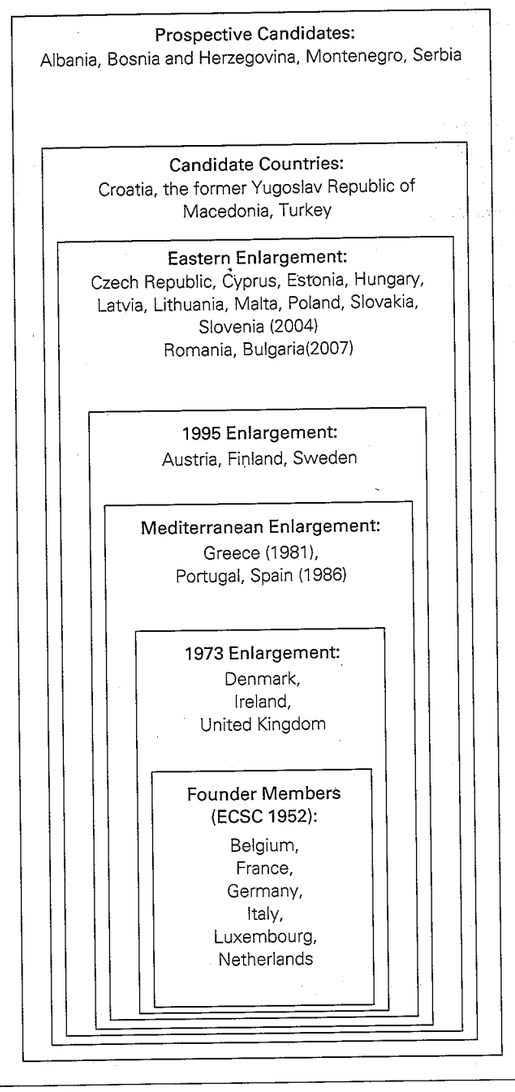
Classifying the member states—including how and why they joined and how they operate within the EU—is a good first step towards understanding the member states' relationship with the EU. Six factors are extremely important. No one factor determines the relationship between the EU and a member state, but together they provide a guide to understanding member states' engagement with the EU.

Entry Date

It is useful to deploy the metaphor of an onion to characterize the expansion of the Union from its original six states to nine, ten, twelve, fifteen, and finally to 27 or more states in the years ahead (see Figure 4.1). The core of the onion is formed by France, Germany, and the four other founding members. What is now the European Union was originally the creation of six states that were occupied or defeated in the Second World War. It is the creation especially of France, a country that needed to achieve a settlement with its neighbour and historical enemy, Germany. From the outset the key relationship in the European Union was between France and Germany. As explained in Chapter 2, the Franco-German alliance and the Paris–Bonn axis—now Paris–Berlin—have left enduring traces on the fabric of integration. The **Elysée Treaty** (1963) institutionalized very strong bilateral ties between these two countries. The intensity of interaction should not be taken as evidence of continuous agreement between France and Germany on major European issues. Rather, much of the interaction has worked to iron out conflicts between them.

Close personal relationships between German Chancellor Helmut Schmidt and French President Valery Giscard d'Estaing in the 1970s and Chancellor Helmut Kohl and President François Mitterrand in the 1980s and early 1990s were key to the most ambitious steps forward in **European integration**, including the creation of the

FIGURE 4.1 'Onion' chart of EU enlargements



European Monetary System (a precursor to EMU), the **single market** programme, and the euro. The Franco-German relationship was challenged by geopolitical change in Europe following the collapse of communism. German unification and the opening up of the eastern half of the continent altered the bilateral balance of power, with Germany no longer a junior political partner to France. The change was symbolically captured by the relocation of the German capital to Berlin.

It is premature to talk of the demise of the Franco-German relationship; it remains important. But changing geopolitics and enlargement to the east have profoundly altered the context within which it is played out. To illustrate, France and the UK—not Germany—have been in the forefront of EU defence cooperation. Similarly, in negotiations on the financial framework for 2007–2013, France and the UK often joined forces against Germany, the biggest net contributor of the EU budget. On the other hand, Germany, the UK, and many of the new member states have driven market liberalization against a more protectionist France.

The four other founder member states—Italy, Belgium, Luxembourg, and the Netherlands—see themselves as part of the hard core of the Union. The Benelux countries (Belgium, Luxembourg, and the Netherlands) were traditionally at the centre of developments, often ready to push for deeper integration. They were all deeply committed to the '**Community method**' of law-making (institution-led rather than intergovernmental) and supportive of a strong, supranational Union. This dynamic, however, has changed in recent times. Cooperation between the Benelux states began weakening in the 2000 Nice European Council where one of the most bitter disagreements concerned a proposal to give the Netherlands more votes than Belgium in weighted voting on the Council. Since 2005 and Dutch rejection of the Constitutional Treaty, Benelux cooperation has been at best lukewarm, at worst non-existent. In fact, the 2007 EU summit that agreed the text of the new Reform Treaty featured a blazing row between the Belgian and Dutch Prime Ministers, with one attendee commenting: 'we thought they might come to blows' (*Financial Times*, 25 June 2007).

Italy has oscillated between active involvement in EU diplomacy and a passive presence in the system. It has traditionally been enthusiastic about European institution-building, but not consistently so (see Bindi and Cisci 2005). More generally, Italy's relationship with the EU and other member states is hampered not by a lack of enthusiasm but by endemic instability in its governing coalitions.

All states joining the EU after its initial formative period had to accept the Union's existing laws and obligations (or ***acquis communautaire***; see Box 4.1), its institutional system, and way of doing business, all of which had been formed without their input. Thus for all latecomers, adjustment and adaptation to the EU was a process that began before their date of **accession** and continued well after membership. With the expansion of the Union's tasks, the burden of adjustment has grown for each successive wave of accession. As Chapters 6 and 7 demonstrate, the EU has taken on new policy areas over the years ranging from environmental policy to police cooperation. (The *acquis communautaire* has grown to cover over 80,000 pages of legislation.) This expansion

has made it even more difficult for outsiders to catch up and adapt to membership (see Chapter 9).

Size

As in all political systems, size matters in the EU. The distinction between large and small states is often evoked in political and media discussions about representation in the EU. At the cumbersome negotiations on the Treaty of Nice, which focused on the re-weighting of votes in the Council and the number of Commissioners each state could appoint, tensions between large and small states escalated. Nice settled little, and battles between large and small states marked negotiations surrounding the 2004 Constitutional Treaty and its replacement in 2007. But battles over voting weights were not only fought between large and small: in 2007, the President of Poland went as far as to argue that his country deserved more votes in the Council to compensate for the number of Poles murdered by the Nazis during the Second World War.

In any event, a more nuanced approach to understanding the impact of size is warranted. The EU really consists of four clusters of states—large, medium, small, and micro-states (see Table 4.1). The first cluster contains six large states: Germany, United Kingdom, France, Italy, Spain, and Poland. Together they make up about 70 per cent of the population of EU-27. (Even here we find dissent: Germany, France, and the UK are certainly seen as the 'big three', with Italy seen as less powerful, and some would dispute Spain's and Poland's categorization as large states.) The next cluster consists of medium-sized states: Romania, the Netherlands, Greece, Belgium, Portugal, the Czech Republic, and Hungary, whose populations range from 10 to 22 million inhabitants. The third cluster is one of small states: Sweden, Austria, Bulgaria, Denmark, Finland, Slovakia, Ireland, Lithuania, Latvia, Slovenia, and Estonia, which all have populations of between 1 and 9 million. The fourth category, micro-states, consists of Cyprus, Luxembourg, and Malta. In recent years there has mostly been an increase of medium, small, and micro-states; Poland is the exception to the rule.

Size has implications for power and presence in the Union's political and economic system. The power of large states is not just expressed in voting power in the Council. It manifests itself in political, economic, and diplomatic influence (see Wallace 2005: 38 ff). Large states can call on far more extensive and specialized administrative and technical resources in the policy process than small states, and their diplomatic presence is far stronger throughout the world. The German Chancellor, regardless of who holds the post, is usually the most powerful politician at European Council meetings. Small states, however, enjoy important advantages in EU negotiations. They tend to have fewer vital interests than larger states, their interests can be aggregated with much greater ease, and the potential for conflict and competing claims among different social groups is reduced. Luxembourg, for example, can concentrate all of its diplomatic energy on protecting its traditional industries, its liberal banking laws, and its presence in EU institutions.

TABLE 4.1 Clusters of member states and candidate countries by size

Current member states

(figure in brackets = approximate population in millions in 2007)

Large	Medium	Small	Micro
Germany (82)	Romania (22)	Sweden (9)	Cyprus (0.8)
France (63)	Netherlands (16)	Austria (8)	Luxembourg (0.5)
UK (61)	Greece (11)	Bulgaria (8)	Malta (0.4)
Italy (59)	Belgium (11)	Denmark (5)	
Spain (44)	Portugal (11)	Finland (5)	
Poland (38)	Czech Republic (10)	Slovakia (5)	
	Hungary (10)	Ireland (4)	
		Lithuania (3)	
		Latvia (2)	
		Slovenia (2)	
		Estonia (1)	

Candidate countries

Turkey (73)	Croatia (4)	
	Macedonia (2)	

Eurostat 2007

Although size matters, it has little bearing on national approaches to substantive issues of EU policy that are formed by economic considerations, domestic interests, and the proposed nature of the change. Thus, small states are unlikely to band together against the large states in substantive policy discussions. Their interests, just like those of the larger states, diverge. Coalition patterns in the Council have always consisted of a mix of large and small states in any particular policy domain.

Small states do, however, have a common interest in maintaining the EU's institutional balance, the 'rules of the game', and their level of representation in the system. From the outset, the small EU states have been wary of proposals that privilege a small group of larger states, which could dictate policy for the Union as a whole. Small states are thus keen supporters of procedural and legal orthodoxy in the Union. The key point here is that the multilateral, institutionalized, and legal processes of the Union have created a relatively benign environment for small states.

In the past, the European Union successfully managed to expand its membership to include both large and small states without undermining the balance between them or causing undue tension. This began to change in the 1990s. The 1995 enlargement and the prospect of further enlargement to the east and south heightened the salience of the small-state/large-state divide in the Union. The struggle for power—as reflected in number of Commissioners, votes in the Council, or seats in the European Parliament each member state receives—figured on the EU agenda for over a decade, from 1995 to 2007 and beyond. Negotiating the relative power of member states has not been easy. Many would argue that the institutional debate has been the poisoned chalice of the EU over the past few years.

Wealth

The original European Economic Community had only one serious regional poverty problem: the Italian Mezzogiorno. As such, 'cohesion' (or regional development) was not an important concern. The first enlargement in 1973 to include the UK, Denmark, and Ireland increased the salience of regional disparities in the politics of the Union. The UK had significant regional problems, with declining industrial areas and low levels of economic development in areas such as Northern Scotland, Wales, and Northern Ireland. The Republic of Ireland had per capita incomes that were about 62 per cent of the EU average at the time. The Mediterranean enlargements in the 1980s to include Greece, Spain, and Portugal (all relatively poor states) accentuated the problem of economic divergence.

By the 1980s, the Union as an economic space consisted of a 'golden triangle' which ran from southern England, through France and Germany to northern Italy and southern, western, and northern peripheries. Although committed to harmonious economic development from the outset, the Union did not have to expand its budgetary commitment to poorer Europe until the single market programme in the mid-1980s. At that point, Europe's poorer states successfully linked the economic liberalization of the 1992 programme with an enhanced commitment to greater cohesion in the Union. This commitment manifested itself in a doubling of the financial resources devoted to declining regions, or those with a per capita income less than 75 per cent of the EU average (see Table 4.2). In addition, four member states whose overall gross domestic product (GDP) was low—Spain, Portugal, Greece, and Ireland—were granted extra aid (in the form of a Cohesion Fund) as a prize for agreeing to monetary union. Of the four states, Ireland was the first to lose its cohesion status.

With eastern enlargement in 2004 and 2007, the poverty gap between the member states grew considerably wider. The average income in the new EU-25 was about 10 per cent lower than the EU-15 average. Today GDP per capita in all new member states and **candidate countries** remains under the EU-27 average (see Table 4.2). Cyprus and Slovenia rank as the richest of the new members, while Romania and Bulgaria—the 2007 entrants—are the poorest.

TABLE 4.2 Member states' gross domestic product in 2005

(1000 € at market prices per inhabitant)

European Union average	22.3		
Luxembourg	64.3	Greece	16.3
Ireland	38.8	Portugal	14.1
Denmark	38.4	Slovenia	13.8
Sweden	31.9	Malta	11.5
Netherlands	31.0	Czech Republic	9.7
Finland	30.0	Hungary	8.8
UK	29.8	Estonia	8.2
Austria	29.8	Slovakia	7.1
Belgium	28.5	Poland	6.4
France	27.3	Lithuania	6.0
Germany	27.2	Latvia	5.7
Italy	24.3	Romania	3.7
Spain	20.9	Bulgaria	2.8
Cyprus	18.0		
Candidate Countries (3)			
Croatia	7.0		
Turkey	4.0		
Macedonia	2.3		

Eurostat 2006

The promotion of economic and social cohesion will continue to resonate in the politics of integration well into the future. During 2007–2013, **cohesion policy** will account for around 35 per cent of the total EU budget (see Chapter 6). How those funds are distributed between and across member states will be contentious. After eastern enlargement many of the former recipients of cohesion funds (including Spain and Ireland) were no longer eligible for many EU funds which were now funnelled towards the newer and poorer member states.

Economic divergence has a significant impact on how the EU works. First, it influences the pecking order in the Union. The poor countries are perceived as

demandeurs in the Union, dependent on EU subsidies. Secondly, attitudes towards the size and distribution of the EU budget are influenced by contrasting views between net beneficiaries and net contributors. With the growth of the EU budget, a distinct 'net contributors club' has emerged in the Union, which is led by Germany but joined also by the United Kingdom, the Netherlands, Austria, Sweden, Finland, and Denmark. These states are committed to controlling increases in the EU budget and to limiting the budgetary costs of cohesion. On the other hand, the poor countries as beneficiaries of financial transfers tend to argue for larger budgetary resources and additional instruments.

Thirdly, relative wealth influences attitudes towards EU regulation, notably in relation to environmental and social policy. The richer states have more stringent, developed systems of regulation that impose extra costs on their productive industries. They thus favour the spread of higher standards of regulation to peripheral Europe. By contrast, the poorer states, in their search for economic development, often want to avoid imposing the costs of onerous regulation on their industries. Overall, environmental and social standards have risen in Europe, particularly in peripheral Europe, but not to the extent desired by the wealthier states.

State Structure

The internal constitutional structure of a member state has an impact on how it operates in the EU. The Union of 27 has three federal states—Germany, Austria, and Belgium. Others are unitary states or quasi-unitary. (The line is not always easy to draw. Unitary states can have subnational governments, self-governing regions, and autonomous communities. For example, Spain and the UK can be considered as de facto federations.) The subnational units in all three federal states have played a significant role in the recent constitutional development of the Union. The German Länder, in particular, insisted in the 1990s that they be given an enhanced say in German European policy. They have been advocates of **subsidiarity** (see Box 2.2) and the creation of the Committee of the Regions. In the 1992 Maastricht Treaty, they won the right to send Länder ministers and officials to represent Germany in the Council of Ministers. Representatives of the German and Austrian Länder, representatives of the Belgian regions and cultural communities, as well as ministers in the Scottish executive now sit at the Council table and can commit their national governments.

In addition to direct representation, there has been an explosion of regional and local offices in Brussels from the mid-1980s onwards. Increasingly, state and regional governments, local authorities, and cities feel the need for direct representation in Brussels. Their offices act as a conduit of information from the EU to the subnational level within the member states. They engage in tracking EU legislation, **lobbying** for grants, and seeking partners for European projects. Not unexpectedly, there can be tension between national governments and the offices that engage in paradiplomacy in the Brussels arena (see Chapter 5).

Economic Ideology

Much of what the EU does is designed to create the conditions of enhanced economic integration through market-building. The manner in which this economic liberalization has developed has been greatly influenced by the dominant economic and social paradigms of the member states. Different visions of the proper balance between public and private power, or between the state and market have left their traces on how the EU works.

Although all six founding member states might be regarded as adhering to a continental or Christian democratic model of capitalism, there are important differences amongst them. For instance, France traditionally has supported a far more interventionist EU than the German economic model would tolerate. Arguably, the French statist tradition has made little headway in the Union's system of economic governance, at least before 2007 when a new French President, Nicolas Sarkozy, persuaded a German Council Presidency to replace the phrase 'free and undistorted competition' with 'a social market aiming at full employment' as a central goal of the draft EU Reform Treaty.

Differences between France and Germany fade in comparison to differences between continental capitalism and the Anglo-Saxon tradition. The accession of the UK in 1973 and the radical deregulatory policies of successive Conservative governments brought the Anglo-Saxon economic paradigm into the Union. The UK has been a supporter of deregulation and economic liberalization in the Union but not of re-regulation at Union level, particularly in the social and environmental fields. The Anglo-Saxon tradition, however, has been somewhat balanced by the accession of the Nordic states with a social democratic tradition of economic governance and social provision, combined with a strong belief in market liberalization. The Anglo-Saxon economic model gained further ground with the 2004 and 2007 enlargements. The new Eastern states generally favour a more liberal economic agenda. They were instrumental in pushing for a more liberal services **directive** in 2006. However, as Goetz (2005) argues, the new member states bring a diverse set of interests to EU policy-making and intraregional cooperation between them is weak, making any notion of an 'eastern bloc' more myth than reality.

A battle of ideas continues in the Union, based on competing views about the right balance between state and market, and the role of the EU in social regulation. Competing economic paradigms underpin national preferences and are difficult to change. Generally, the Union has been far more successful in constraining member state action through regulation than in building common policies in contested areas.

Integration Preference

The terms pro- and anti-European, or 'good' European and awkward partner, are frequently bandied about to describe national attitudes towards the EU. The UK, Denmark, Poland, and the Czech Republic are usually portrayed as reluctant Europeans (see Table 4.3). Whilst not entirely false, such categorizations disguise several facts. First, attitudes towards European integration are moulded not just by nationality but

TABLE 4.3 Support for EU membership

Member State	% responding that EU membership is a 'good thing'*
Netherlands	77
Ireland	76
Luxembourg	74
Spain	73
Belgium	70
Poland	67
Romania	67
Denmark	66
Estonia	66
Germany	65
Slovakia	64
Lithuania	63
Slovenia	58
EU AVERAGE	57
Greece	55
Portugal	55
Bulgaria	55
France	52
Italy	51
Malta	51
Sweden	50
Czech Republic	46
Cyprus	44
Finland	42
UK	39
Hungary	37
Latvia	37
Austria	36

* *Question:* 'Generally speaking, do you think that (YOUR COUNTRY)'s membership of the European Union is a good thing, a bad thing, or good and bad?''
In the figure for Cyprus, only the interviews conducted in the part of the country controlled by the government of the Republic of Cyprus are recorded.
Eurobarometer 2007

(often more powerfully) by factors such as socio-economic class, age, or educational attainment. Secondly, in all states we find a significant split between the attitudes of those who might be called 'the top decision-makers' and the mass public. A very high proportion of elites accept that their state has benefited from EU membership, and that membership is in their state's national interest. These sentiments are not shared by the wider public in many states. Of course, governments must take public opinion into account. When coherent, public opinion sets the broad parameters of what is acceptable policy. But public opinion toward the EU—however reluctant—is only one of several factors shaping a government's position (see Table 4.3).

Some states certainly are more enthusiastic about certain developments (say, enlargement or greater **transparency**) than are others. But there is often an important difference between rhetoric and reality in EU negotiations. Some member states, including France and Germany, tend to use grandiose language in calling for deeper integration. However, around the negotiating table they are often the ones blocking an increase in **qualified majority voting** (QMV) on issues such as trade or justice and home affairs. The opposite can be true for states such as the UK. British ministers and officials are inclined to language that makes them seem reluctant about European integration. Yet, in negotiations on, for example, trade liberalization, they are often in the forefront of more or closer cooperation. In short, member states' attitudes towards integration are far more nuanced than is implied by the labels 'pro' or 'anti' Europe.

Different national preferences and attitudes are expressed most vividly during the Intergovernmental Conferences (IGCs) leading to treaty reform. These events traditionally have been managed by the states holding the Council presidency and finalized—amidst much media fanfare—at a European Council by the heads of state and government. An important feature of EU treaty change since the early 1990s has been the greater frequency with which states have been allowed to 'opt out' of certain policy developments. For example, Denmark has opted out of the euro, parts of the **Schengen agreement** on the free movement of people, and aspects of the Common Foreign and Security Policy.

In each IGC, member states need to decide what is negotiable and what is non-negotiable, or what they could trade in one area in return for concessions in another. The outcome is inevitably a series of complex package deals. Member states will trade off a concession on one issue (such as the size of the Commission) in exchange for the concessions of other member states on a separate issue (such as their voting weight under QMV, see Box 3.2).

Taken together, the six factors introduced in this section tell us a great deal about how the EU works. Styles of economic governance and levels of wealth have a major influence on national approaches to European regulation, and on just how much regulation each state favours at EU level. A hostile or favourable public opinion will help to determine the integration preferences of particular states. How states represent themselves in EU business is partially determined by their state structure and domestic institutions. The point is that EU member states vary across several cross-cutting dimensions, and this mix is part of what makes the EU unique.

BOX 4.2 How it really works

Intergovernmental Conferences

Article 48 of the Treaty on European Union states that 'the Government of any Member State or the Commission may submit to the Council proposals for the amendment of the Treaties on which the Union is founded'. If the Council decides that such a proposal has legs, it then calls for a 'conference of representatives of the governments', or what in EU-speak is called an Intergovernmental Conference (IGC). An IGC is the means by which the EU changes its treaties or enlarges.

An IGC is often a long and tedious process. In most cases, after months of discussions and seemingly endless *tours de table* (which allow the delegations to state and restate their national positions, see Box 4.1), the Council's General Secretariat and Presidency draft a proposed set of treaty amendments. Member states then suggest changes to the draft either in writing or orally in the meeting room. Finally a compromise is hammered out. Some issues can be solved by officials. Others demand the attention of the ministers. The most difficult questions are left to be resolved at the infamous all-night sessions of the European Council.

An IGC is always a cross-sectoral exercise; it affects many different policy areas and has an impact on the entire administrations of member governments. A sound relationship between the national capital and the Permanent Representation in Brussels is crucial for the proper functioning of the system. In many instances the actual IGC negotiators have positions that are closer to each other's than those between ministries at home. During negotiations it is usually not difficult to detect when a negotiator has been unable to coordinate the position at the national level. The code phrase is often: 'we are still studying the question back home'.

Problems of coordination in national capitals can slow progress. The 2000 IGC on the Nice Treaty, for instance, witnessed a total of 370 official negotiating hours and required ten ministerial meetings and three European Councils. To try to achieve a result more quickly but also to widen participation, a new method—a Convention on the Future of Europe (see Chapter 8)—was used to draft the 2004 Constitutional Treaty, which was then approved in a traditional IGC. However, the results of any IGC—an amended treaty—must be ratified in *all* EU member states, either by national parliaments or by referendum. The Constitutional Treaty failed to achieve full ratification, and thus had to be shelved (in favour of the 2007 Reform Treaty).

Member States in Action

Member states are not the only players in town (see Chapters 3 and 5), but national governments retain a privileged position in the EU. What emerge as national interests from domestic systems of preference formation remain central to how the EU works. Member states are not unitary actors. Rather, each consists of a myriad of players who project their preferences in the Brussels arena. National administrations, the wider

public service, key interests (notably, business, trades unions, farming organizations, and other societal interests) all seek voice and representation in EU politics. A striking feature of European integration is the extent to which national actors have been drawn out of the domestic arena into the Brussels system of policy-making.

As Chapter 3 highlighted, the national and the European meet in a formal sense in the Council, the EU institution designed to give voice and representation to national preferences. At any given time there are usually around twenty official meeting rooms in use in the Council building (named after the sixteenth-century Belgian philosopher, Justus Lipsius), apart from the month of August when the Brussels system goes on holiday. Formal meetings are supplemented by bilateral meetings on the margins of Council meetings, informal chats over espressos, and by media briefings. Thus the formal system of policy-making is augmented by considerable backroom dealing, arbitrage, and informal politics. In the evenings, national officials (from some member states more than others) frequent the many bars near the Rond Point Schuman, the junction in Brussels where several EU institutions are housed. The evening trains to Zaventem (the Brussels airport) are often full of national officials making their way back to their capitals after a long day in Council working groups. Those within earshot can pick up good anecdotal evidence of how the EU actually works when member states pick over the details of EU proposals.

All member states have built up a cadre of EU specialists in their diplomatic services and domestic administrations who are the 'boundary managers' between the national and the European. Most are at home in the complex institutional and legal processes of the Union, have well-used copies of the EU treaties, read *Agence Europe* (a daily bulletin on European affairs) every morning, know their field and the preferences of their negotiating partners. The EU is a system that privileges those with an intimate knowledge of how the Union's policy process works and how business is conducted in the Council, the EP, and the Commission.

National representatives in Brussels seek to exploit their political, academic, sectoral, and personal networks to the full. With more member states, a widening agenda, and advanced communications technology, there has been a discernible increase in horizontal interaction between the member states at all levels—prime-ministerial, ministerial, senior official, and desk officer. Specialists forge and maintain links with their counterparts in other member states on a continuous basis. Deliberations are no longer left primarily to meetings at working-group level in Brussels. Sophisticated networking is part and parcel of the Brussels game. Officials who have long experience of it build up extensive personal contacts and friendships in the system.

In addition to a cadre of Brussels insiders, many government officials in national capitals find that their work also has a European dimension. For most national officials, however, interaction with the EU is sporadic and driven by developments within a particular sector. A company law specialist may have intense interaction with the EU while a new directive is being negotiated, but may then have little involvement until the same directive is up for renegotiation.

The nature of EU membership demands that all member states must commit resources and personnel to the Union's policy process. Servicing Brussels—by committing time and resources to EU negotiations—has become more onerous with new areas of policy being added, such as justice and home affairs or defence. Once a policy field becomes institutionalized in the EU system, the member states have no choice but to service the relevant committees and Councils. An empty seat at the table undermines the credibility of the state and its commitment to the collective endeavour. Besides, the weakest negotiator is always the one who is absent from the negotiations.

Managing EU Business

All member states engage in internal negotiations and coordination, above all between different national ministries and ministers, in determining what their national position will be in any EU negotiation. The coordination system in most member states is organized hierarchically. National ministers and/or the head of government will usually act as the arbiter of last resort.

In addition, all member states have either a Minister or a State Secretary of European Affairs. The Ministry of Foreign Affairs plays an important role in all member states, and most central EU coordination takes place here. However, there are a number of member states, such as Finland, where the Prime Minister's Office takes the leading role. With the increasing prominence of EU policy in national administrations, more EU business is generally shifting to the offices of Heads of government.

As discussed in Chapter 3, each member state also has a Permanent Representation in Brussels, a kind of EU embassy. In most cases it is the most important and biggest foreign representation the country maintains anywhere in the world. It is, for example, usually much bigger than an embassy in Washington DC or Moscow or a representation to the United Nations. Although the official role or the Permanent Representation of each member state varies, they all participate actively in several stages of the policy-making process. In certain member states they are the key player in the whole process.

Explaining Member States' Engagement

We have looked at the factors that determine the engagement of different states in the EU and at the member states in action. What additional purchase do we get from theory in analysing member states in the Union? The relationship between the EU and its member states has been one of the most enduring puzzles in the literature on European integration. From the outset, the impact of EU membership on statehood and on individual states has been hotly contested. At issue is whether the EU strengthens,

transcends, or transforms its member states. Is the Union simply a creature of its member states? Are they still the masters of the Treaties? Or has the EU irrevocably transformed European nation-states? The relationship between the EU and its member states is a live political issue and not simply a point of contention amongst scholars. The theories and approaches introduced in Chapter 1 provide different lenses with which to analyse the member states in the Union.

Liberal intergovernmentalism provides a theoretical framework that enables us to trace the formation of domestic preferences in the member states and then to see how they are bargained in Brussels. It identifies the domestic sources of the underlying preferences and the subsequent process of interstate bargaining. The approach rightly concludes that the EU is an 'institution so firmly grounded in the core interests of national governments that it occupies a permanent position at the heart of the European political landscape' (Moravcsik 1998: 501). This approach is less helpful in tracing the impact of the EU on national preference formation or the cumulative impact of EU membership on its member states. Its focus on one-off bargains provides a snapshot of the Union at any one time rather than a film or 'moving picture' of how membership may generate deep processes of change (see Pierson 1996).

Contemporary theorists who view the EU through the lenses of **multilevel** (Hooghe and Marks 2003) or **supranational governance** (Sandholtz and Stone Sweet 1998) emphasize how the national and the European levels of governance have become intertwined, in a way that is fundamental in the EU. These approaches point to the influence of the supranational institutions—notably the Commission, Court, and Parliament—on the EU and its member states. The EU may be grounded in the core interests of the national governments, but the definition of core interest is influenced by membership of the EU and its continuous effects at the national level. Put another way, the EU has evolved into a political system in its own right that is more than the sum of its member states.

The **new institutionalism** offers at least two crucial insights concerning member states in the EU political system. First, its emphasis on change over time captures the give-and-take nature of EU negotiations and the manner in which norms and procedures are built up over time. Secondly, its concern with **path dependency** highlights the substantial resources that member states have invested in the Union (Meunier and McNamara 2007). The costs of exit are very high, so high that no state would seriously contemplate it. At best, member states have the choice of opting out of various policy regimes. Even then there are costs associated with having no seat at the table.

A **policy network** approach captures the fragmented and sectorized nature of the EU. It highlights the fact that the degree and nature of national adaptation differs from one policy area to another, and according to the different mix of players involved. Some policy fields, and the networks that preside over them, have been intensely Europeanized (agriculture) while others have not (transport). This approach helps us to gauge such variation and the varying involvement of different layers of government and public and private actors in different EU policy fields.

Finally, social **constructivism** helps us to analyse how national participants are socialized into the 'rules of the game' which characterize intergovernmental bargaining (Bulmer and Lequesne 2005a: 15). For constructivists, national interests are not predetermined but are shaped (or 'constructed') by interaction with EU actors and institutions (see Checkel 1999). In fact, the very identities of individual players in EU negotiations are viewed largely as being constructed within those negotiations, and not fixed, leading constructivists to question whether national identities and interests are gradually being replaced by European ones.

Conclusion

It is impossible to understand how the EU works without understanding the member states and their central role in the establishment and operation of the EU. In turn, the EU has altered the political, constitutional, economic, and policy framework within which the member state governments govern. Each enlargement is different and each enlargement has changed the dynamics of the EU. Many were afraid that the EU's decision-making would grind to a halt with the latest enlargement. Generally, it seems that these fears were unfounded. As a matter of fact the pace of EU decision-making was not noticeably slower than before, despite (or perhaps because of?) its expansion to 27 member states (see Box 4.3), although it was widely agreed that it needed new rules to streamline decision-making to avoid paralysis in the longer term.

All EU member states, along with some states who aspire to join the EU, are part of a transnational political process that binds them together in a collective endeavour. Their individual engagement with the Union varies enormously depending on their history, location, size, relative wealth, domestic political systems, and attitudes towards the future of the Union. Yet, all member states are actively engaged on a day-to-day basis in Brussels. National ministers, civil servants, and interest groups participate in the Commission's advisory groups, the Council working groups, and meetings of the European Council. All member states engage in bilateral relations with each of their partners, with the Commission's services, and the Council Presidency in their efforts to influence the outcome of EU policy-making. In national capitals, officials and ministers must do their homework in preparation for the continuous cycle of EU meetings. Brussels is thus part and parcel of contemporary governance in Europe. The member states are essential to how the EU works, but in turn being a member of the EU makes a state something rather different from an 'ordinary' nation-state.

BOX 4.3 How it really works

Decision gridlock?

Taking decisions in a big group is never easy. When the EU almost doubled its membership from 2004 to 2007 many feared that the EU would face permanent gridlock. How did things actually turn out? Studies show that from 2004 to 2006, the amount of legislation decreased compared to the rate prior to the 'big bang' enlargement (Hagemann and DeClerck-Sachsse 2007; Heisenberg 2007). Yet at the same time the EU was able to hammer out compromises at approximately the same pace as before. And the average time from a Commission initiative to an approved legal act remained approximately the same for an EU of 27 as it was for an EU of 15 (Settembri 2007).

Enlargement has, however, changed the political dynamic of the EU institutions and the role of member states within them. All of the main institutions—the Commission, the European Council, the European Parliament, and the Council of Ministers—are less cosy than before. There are simply more players around the table. The dynamic of working groups, committees, and the actual Council meetings has also changed. In Council meetings member states no longer have the ability to express their view on all issues all the time. It would simply take too long. Member states raise issues when they have a serious problem.

Every enlargement is preceded by a debate about the EU's capacity to integrate or 'absorb' new member states. The debate is focused on whether the EU's institutions, budget, and policies can accommodate a larger membership. Those who want to slow down enlargement often argue that the EU is not ready to take on board new member states before it has revised its own institutions and working methods. Previous enlargements, however, seem to indicate that while the EU is never fully prepared to enlarge, it manages just the same.

DISCUSSION QUESTIONS

1. What are the most important features determining an EU member state's attitudes towards integration?
2. Which is more powerful: the impact of the EU on its member states, or the impact of the member states on the EU?
3. How useful is theory in explaining the role of the member states in the EU?
4. How different are EU member states from 'ordinary' nation-states?

FURTHER READING

The literature on the member states of the Union is very diffuse. There are a large number of country studies (see, for example, George 1998, O'Donnell 2000, Closa and Heywood 2004, and Papadimitriou and Phinnemore 2007), a more limited number of comparative works (including Wessels *et al.* 2003, Bulmer and Lequesne 2005b, and Henderson 2007), and a very extensive body of policy-related work that throws some light on the EU and its member states (see, for example, Falkner 2000 and Baun *et al.*

2006). For discussions of the relationship between statehood and integration, see Hoffmann (1966), Milward (1992), and Moravcsik (1998). On national management of EU business and the impact of the EU on national institutions, see Rometsch and Wessels (1996) and Kassim *et al.* (2001).

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WEB LINKS

The Institute for European Politics' (Berlin) website features an enormously useful 'EU 25–27 watch' which offers a round-up of current thinking on EU policies and issues in all the member states: http://www.iep-berlin.de/index.php?id=publikationen&L=1

The best place to search for websites of the member and candidate states' national administrations is http://www.europa.eu/abc/european_countries/index_en.htm

Other useful links can also be found on the homepage of the European Commission http://ec.europa.eu/index_en.htm

Visit the Online Resource Centre that accompanies this book for additional material: www.oxfordtextbooks.co.uk/orc/bomberg2e/