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A Third Lens: Comparing European Integration and State Building

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The creation of a European polity over the past four decades has been a sui generis experiment in interstate coordination and supranational institution building. While the European Union is a new kind of political form, scholars have sought to gauge its particularities and understand its dynamics by comparison. This chapter lies squarely in that tradition, one that goes back to the earliest attempts to analyze the European integration.

Comparison, but with what? Given the exceptional character of European integration, the question has no single answer. European integration does not fit neatly into any class of political phenomena, though it shares interesting commonalities with several.

Two lenses have been used to gain comparative insight. The first treats the European Union as an international regime. Like the United Nations, the General Agreement on Trade and Tariffs, or the North American Free Trade Association, the EU can be conceived as an organization created, sustained, and dominated by national governments. Conceptualizing the EU as an international regime focuses attention on intergovernmental bargaining and allows scholars to inquire into the factors that lead to coordination among national governments (Moravcsik 1991, 1994; for a critique, see Sandholtz 1996). Why do national governments create international regimes, and what functions does the European Union fulfill?

A second lens treats European integration as the development of a federal constitutional order—a *domestic* regime. From this standpoint, the European Union has been compared to a variety of existing federal regimes, including those in Switzerland, Canada, Germany, and the United States (Sbragia 1992; Cappelletti, Seccombe, and Weiler 1986; Scharpf 1992).¹ Here the focus has been on institutional arrangements that link constituent

governments to the center. What is the role of constituent territorial units in central decision making, and how are they constrained by the center? How are constituent territorial units represented in EU institutions?

In this chapter, I conceive of the EU as a domestic regime, but from a slightly different angle. Here I conceive of the European Union as an emerging polity, as a set of institutions performing basic functions of governance, and compare it to the process of polity creation that preceded it, namely state building.² What is at stake in both episodes is the structuration of legitimate authority. My concern is with the underlying dynamics of political change. In what respects are state building and European integration intended or unintended outcomes of decision making? Are these processes driven by conceptions of how best to structure authority, or are they more oriented to particular policies? How can one characterize the distribution of authority as a result of state building and European integration? What, in short, does the experience of state building in Western Europe tell us about European integration?

The State and the European Union as Artifacts

The building of modern states in Western Europe took from two centuries to about seven centuries, depending on what features one includes under the process. For example, one might stick with a minimal definition focusing on monopoly of the legitimate means of coercion based in national court systems within a given territory. Thus, the formative period in which a pluralistic state-system emerged from the variegated, multilevel, and multicephalous feudal order with its diffuse, overlapping secular and religious loyalties would be from the twelfth to the fourteenth centuries (Strayer 1970). At the other extreme, one might examine the consolidation of the state in its distinctive modern form, that is, one consolidated in a fixed territory; served by specialized personnel; organized along functionally differentiated lines; and based ideally, though infrequently in practice, on a common nationality. This would take us up to the eighteenth or even the nineteenth century (Finer 1975, 1990; Rokkan 1975, 567; Tilly 1975b). By contrast, the period from the foundation of the European Coal and Steel Community to the present is less than fifty years, a fact that throws into sharp relief both the extraordinary pace of change in recent decades and the necessarily tentative nature of our attempts to draw conclusions about a process that may well be in its infancy.

European integration has certainly been the result of self-conscious political creativity, and it could be argued that this lies at the root of the comparative speed with which an impressively broad and diverse set of institutions has been put in place. But in this respect, state building is no

different. Gianfranco Poggi (1990, 95) describes the modern state as "an artificial, engineered institutional complex rather than one that has developed spontaneously by accretion." Along these lines, we speak of the process of state building, of "the will" to create the state, of the modern state as a "deliberately erected framework," a "made" reality.

What is different, however, is the diversity, coherence, and sheer number of powerful actors who have to be mobilized, negotiated with, cajoled, or defeated in the process of power redistribution and institutional creation. Modern states were created by monarchs who had to struggle for predominance in societies in which loyalties were diffuse and coercive power was thinly spread among shifting coalitions of entrenched and geographically disparate baronies. Moreover, monarchs lacked effective means of interest aggregation and political coordination. Ratcheting up the state's resource base, the perennial challenge of state builders, had to be pursued in a drawn-out struggle to build coalitions among diverse and independently powerful constituencies which themselves bore the brunt of additional taxes.

The context of institution building is totally different today. States have dominated political life in Western Europe over the past several centuries, and it is difficult to escape the conclusion that they will play a vital role, though not necessarily a dominant one, in any hypothesized future political order. At the same time, however, states have introduced a capacity for dynamic institutional change that exceeds that available in previous centuries. European integration, and in particular the latest spurts of institutional creativity, the Single European Act (1986) and the Maastricht Treaty (1992), were achieved because, not in spite, of the existence of state executives able to bargain authoritatively in international fora and set the terms, if not dictate the outcomes, of their respective domestic debates concerning ratification.

The Absence of a Master Plan

Given that the European Union is a consciously constructed set of institutions, it is tempting to draw a parallel between it and the creation of modern constitutional political systems, particularly federal systems such as the American or the German. But there is an essential difference. The European Union is not patterned on any blueprint for a workable system of government. Unlike the U.S. Constitution or the Basic Law, the Treaty of Rome did not try to settle fundamental questions of governance according to some overall plan based on principles such as protection of minorities, justice, equality, and political stability. This is not to deny that European integration has taken place within an ongoing debate among alternative

conceptions of the European polity, encompassing, for example, a "Europe of the Regions" in which states would wither away, a federal Europe combining member states, or a free-trade Europe composed of sovereign states. But these conceptions have not dictated the process of integration. They are used as normative guidelines for future development or to describe what has already taken place. In its practice, European integration has been open-ended in a way that has escaped those who have thought in terms of grand architectural plans or final destination.

The European Union is the outcome of formal treaties setting out institutional competencies in a legalistic framework. But such treaties are not like the founding constitutions of existing democracies. The treaties are simply agreements among member states to achieve specific ends by creating particular institutions and institutional relationships at the European level. Instead of having its constitutional birth in a single founding moment, the European Union has been created step by step in the same way that a building plan is revised by placing successive transparencies over an initial design. The result is a dense and convoluted polity whose current institutions are molded on past ones and in whose present structure one can still see the remains of past treaties.

This is nowhere more apparent than in the changing and convoluted terminology of the European Union and its institutions. The current name for the European polity is just the most recent, and almost certainly not the last, of some six names that have been adopted in official documents over the past twenty years: Common Market; European Economic Community; European Economic Community; European Communities; and European Community. While the Maastricht Treaty creates an entirely new term (the European Union), two previous terms (European Community and European Communities) are still used in formal legal parlance to refer to the prior structure that is nested inside the new one. There are corresponding nuances in the terminology of decision-making bodies. The Council of Ministers, which is now termed the Council of the European Union (the term "Ministers" has been dropped), becomes the Council of the European Communities when it acts as a legislative body. Of course, such nuances are lost on all but the most legally minded participants in the Euro-polity. In the absence of a constitution with a fixed, or at least relatively stable, political terminology, many active participants, to say nothing of mass publics, are confused about the formal designations of major European political institutions.⁴

European integration resembles state building in its lack of a master plan. As noted above, state building was a conscious process of political engineering. Yet it was not engineering according to some external master plan. There was no attempt to set out a constitution specifying, once and for all, the scope and responsibilities of the state with respect to its monop-

oly of legitimate coercion, its centralization of territorial administration, its extent of resource extraction, and so forth. The features we associate with the state emerged out of a series of struggles, domestic and external, undertaken by state builders (usually, but not exclusively, monarchs) to expand their armies, extract more resources from their subject populations, develop new and more efficient administrations for this purpose, and find additional resources to undermine or repress the popular resistances that all of the above engendered (Tilly 1975a).

By and large, the state was created as an instrument for purposes that were not intrinsically state oriented. If some other institutional mix available under the particular circumstances of European feudalism had been better suited to the creation of large and well-equipped armies and the capacity to fund them at short notice, the modern state would quite likely (though it is not provable) never have been established.

The State and the European Union as Means-Rather Than Ends-Oriented

A corollary of this is that both the state and the European Union are goal-oriented institutions rather than ends in themselves. This is perhaps the main reason why it is so difficult to describe the outcome of either state building or European integration as a static system organized around some coherent set of political principles. The conventional defining characteristic of the state, its monopoly of legitimate coercion within a fixed territory, does not tell us much about what the state really is or what it does. When one goes beyond this elemental characteristic to other features relating to the degree of centralization, the type and scope of state regulation, or of resource extraction, one finds very wide variations across states and across different policy areas within states. In explaining such variations, political scientists analyze such factors as technocratic influences on policy making across program areas, patterns of contestation among policy actors, class relations, and social democratic participation in government, rather than the essential character of the state or its formal political goals.

The European Union, conceived in terms of its essential political structure or its final destination, is similarly elusive. Notions of federalism, intergovernmentalism, and so forth, have influenced the development of the EU, but they have not determined it. In practice, the institutions of the EU have been created to achieve discrete, diverse, contested, and contingent goals (Lindberg and Sheingold 1970, ch. 4).⁵ The result is an immensely complex and variegated structure, or (more precisely) set of structures, that reflect the logics of individual policy arenas and the consequences of their intricate connections. When one describes these structures from the stand-

point of governance, one finds an impressive scope of variation, ranging from a European superstate in trade-barrier regulation or competition, to a weakly coordinated intergovernmentalism in most areas of foreign policy.

In recent years, there have been some very interesting attempts to apply the concept of federalism to the European Union, highlighting member-state governments as decisive actors in determining the composition of the major decision-making bodies at the European level (Sbragia 1993). As in the German federal system (but not in the American), the member states are represented as autonomous institutions (rather than territorial constituencies) at the heart of the European polity. As in other federal systems, territorially defined political units structure the European polity. But federalism has not served as the architectural principle of the EU. National governments in the member states have greater powers of self-determination than constituent units in any existing federal state, and while territorial units within the same federal regime tend to have similar subnational political systems, the domestic political systems of the member states vary greatly. The territorial units of the European Union are more heterogeneous than in any federal polity.

One of the principal functions of the EU is to supply collective goods to its constituents—diverse publics, subnational groups, and above all, state executives. As for program areas within the state, the institutional structure of provision in each program area within the EU reflects the character of individual programs and the distribution of power more than it reflects the EU's constitutional structure. The overall shape of the European Union is the result of the accretion of numerous bargains about specific policies and their institutional frameworks. Hence, one can say that the EU, like the modern state, has been created self-consciously with respect to its *parts*, but not to its *whole*.

The development of the European Union as a result of the Single European Act (SEA) and the Maastricht Treaty can be conceived of as an interstitial process.⁶ It has taken place largely as a by-product of goals that had little to do with the uniting of Europe itself (Sandholtz and Zysman 1992; Moravcsik 1992). The critical lowest common denominator in the rounds of negotiation that led up to the SEA was the desire to create a more integrated European market in the expectation that this would tap previously unexploited sources of economic productivity. The growth and reorganization of the EU-administered cohesion policy were, as I have argued elsewhere, a by-product of this initiative (Marks 1992, 1993; Pollack 1995). Key actors, including Prime Minister Thatcher, embraced the SEA because it was an obvious and effective means towards limited goals, not because they favored the creation of a European polity, *per se*, as an outcome.

The Maastricht Treaty sets out a detailed plan to deepen and extend

coordination in monetary policy and in several other areas, including the environment, social policy, cohesion and structural policy, trans-European transport and communications networks, national borders, immigration, voting at the local and European levels, educational and cultural exchange, research and technological development, law enforcement, and foreign policy.⁷ While institutional reform of the four major institutions of the European polity (particularly the European Parliament and European Court of Justice) is featured in the treaty, the relevant provisions specify incremental reforms based on existing competencies. The logic of the treaty is that of policy-oriented problem solving in which institutions are means to solve problems rather than goals in themselves.

Similarly with state building. While some actors, including monarchs and state officeholders, actively favored centralizing the capacity for resource extraction, most other actors, including powerful segments of the landed aristocracy, merchants, and clerics, found themselves going along for diverse reasons that had little to do with any desire to build the state as an intrinsic goal. And if they did resist the centralizing impetus, they were drawn into the political arena of the territorial state to fight the process. Centralized states arose because they served the interests of powerful actors who wished to wage war more effectively, extract resources from society, consolidate their authority, and provide for an environment hospitable to expansion of their resource base.

State Building and European Integration as Perverse Processes

Neither the development of the state nor that of the EU has been driven by abstract conceptions of how best to organize decision making. Indeed, one might make a case for a perverse theory positing that state building and European integration have taken place *despite* the doctrines of those in power, rather than *because* of them. Monarchs often saw themselves as defending the feudal order and traditional local privileges that were being undermined in the process of state building and of the imposition of centralized authority. In the nineteenth and twentieth centuries, many of the most politically influential supporters of particular pieces of labor market and welfare regulation—on the left as well as the right—did so despite their basic belief that state regulation was inferior to either communal self-regulation or the market. In many instances, the state's role grew not because those in power thought this to be an intrinsic good but because ruling groups set aside their opposition to the principle of state regulation for specific, usually ad hoc reasons. For example, the extension of state responsibility for welfare in Victorian England clearly contravened the dominant

dogma of *laissez-faire*. Many of the steps towards the modern state were taken not because they led in that direction but despite the fact that they did so.

The same may be said of European integration. One of the puzzles of the EU is to explain its emergence and consolidation in the absence of widespread support for shifting authority to the European level. While some influential political leaders such as Jean Monnet or Walter Hallstein favored creating a supranational polity, they realized that they were in a minority and could not achieve their goals by appealing to an emergent European identity. Their challenge was to create a European polity in the absence of "Europeans." Their strategy, and the strategy of integrationists who followed them, was to mobilize support for concrete projects. Integrationists downplayed the decisional implications of their proposals and emphasized, instead, the substantive (usually economic) benefits of particular proposals that had as their by-product the piecemeal creation of a European polity (Wallace 1982, 64-65). The key for integrationists was not to convince opponents of the virtues of creating a European polity but to shift the debate to practical matters having to do with reaping collective benefits. Before the Maastricht era, integrationists' main opposition came from recalcitrant political leaders, above all de Gaulle in the mid-1960s and Thatcher in the late 1980s, whose commitment to national sovereignty trumped the political benefits of further integration.

Episodes of retrenchment notwithstanding, the consolidation of the EU across wide policy spaces in the absence of support for a supranational Euro-polity testifies to the primacy of policy making over institutional choice. But this primacy is not written in stone. In recent years, institutional choice has itself become the subject of intense debate, and in the wake of the Maastricht Treaty, substantive policy issues no longer determine political institutions.

This is a fundamental change, though nobody predicted it. The Maastricht Treaty itself provides few, if any, clues to the response it has generated. Like the Single European Act, the Maastricht Treaty is a shopping list of ad hoc substantive provisions that happen to coexist within the same document. The logic of these reforms (many still not fully enacted) is one of piecemeal political negotiation rather than constitution building. They bear the mark of bargaining among twelve state executives under the decision rule of unanimity. The treaty provides for (1) policy initiatives at the European level (monetary union, plus new competencies in several other areas, including the environment, social policy, communications, and law enforcement); (2) a series of ad hoc institutional reforms designed to facilitate these new policy making responsibilities (e.g., a higher threshold for blocking certain types of legislation in the Council of Ministers; creation of a European Monetary Institute, and eventually a European central bank);

(3) side payments to gain the acquiescence of recalcitrant state executives (e.g., a further large increase in the structural funds; a new cohesion fund; a variety of derogations exempting states from certain provisions of the treaty); and (4) a set of institutional reforms to put the side payments into effect (e.g., reform of the structural funds; a new cohesion fund administration). In this complex and dense melange of specific proposals, one finds only the barest mention of principles of decision making. The Maastricht Treaty refers to the concept of "subsidiarity" just three times, and each reference is vague enough to allow for competing interpretations.⁸

The reception to this agreement has opened a new era for the EU, for instead of technocratic discussion of policy outcomes, the 1992 debate over whether to ratify Maastricht turned on issues of decision making: the advisability of shifting authority to Brussels; whether national sovereignty was at risk and what to do about it; and how democratic the decision making in the European Union is, and how democratic it should be. Previously, state retrenchment had taken place under the temporary influence of rogue leaders. In the post-Maastricht era, the fate of the European Union has become subject to a far-reaching and highly politicized debate in the member states. For the first time, party positions on the European Union count in party competition, and outsider parties, particularly on the extreme right, have exploited resistance to integration to boost their electoral fortunes in domestic elections. Over the past two years, in response to the Maastricht Treaty, discussion of European issues has become more widely disseminated to the popular press and among political parties, particularly when at least one party in a country believes it may gain electoral support by raising the salience of European issues.⁹ In some countries, European integration has become a vital issue in party competition. It dominated debate at the annual conference of the British Conservative Party in 1995. And it features strongly among a variety of extreme right-wing parties across Western Europe. No longer can state executives determine institutional reform as a technocratic by-product of substantive policy objectives.

The Democratic Deficit

The EU is not a constitutionally constructed polity. It has been assembled piecemeal to facilitate particular policies. Democracy, the master principle of constitutional creation in the twentieth century, has remained in the background. Nevertheless, there is within the EU a wide variety of representative institutions, organized along diverse principles: direct representation in the European Parliament; functional interest representation in the Economic and Social Committee; and regional (and local) government representation in the Committee of the Regions. But up to the present, by far

the most influential has been indirect state-based territorial representation in the Council of Ministers and the European Council (Sbragia 1993). It is noteworthy that after the Council of Ministers, the two most important decision-making institutions are the European Commission and the European Court, neither of which has representational legitimacy. The EU is a labyrinthine polity with multiple principles of governance. In no other Western polity is the principle of direct representation so weakly articulated.

While the European Parliament (EP) has the formal power to sack the commission, its power over the composition of the political executive of the EU stops there. It is unable to influence the choice of commissioners by member-state executives, and if it were to take the unprecedented step of rejecting the commission as a whole, it would be faced with a new commission, once again selected by member-state executives, which it would then have to reject for a second time or swallow whole. Furthermore, the EP, even under the new codecision procedure initiated under the Maastricht Treaty, cannot enact legislation by simple majority, as can directly elected legislatures in member states. The EP is the junior partner of the European Council, which is, in effect, an indirectly elected upper chamber representing member-state executives.¹⁰

The weak formal position of the EP by comparison to national legislatures reflects the contrasting logics of European integration and state building. The liberal democratic state is an *outcome* of state building, but it is the point of *departure* for European integration. Liberal democratic states—above all, state executives legitimated by directly elected national legislatures—are the prime actors in the new European polity. In its origins, the EU was an international organization and therefore not subject to constitutional principles that apply to its constituent polities. If member states are democratic and the EU is the creature of the member states, why, it was asked, should the EU replicate direct democratic channels that already exist in individual countries. So the debate about democracy in the EU has turned on conflicting conceptions of the Euro-polity rather than on the intrinsic merits of democracy. The democratic deficit—that is, the weakness of representative democracy in the EU—is rooted in the institutional genesis of the EU as an offspring of national institutions that claim exclusive sovereignty in their respective territories.

In this respect, the logic of European integration is very different from that of state building. Western European states developed in a context of overlapping, ill-defined, and contending claims to legitimate authority on the part of monarchies, empires, city-states, fiefdoms, and the church. Democracy in the process of state building has its origins in the compromises forced on state builders (in most cases, monarchs) as they squeezed taxes from nobles, burghers, and bishops, usually in time of war or preparation

for war. The balance of power among these estates, and between them and the monarchy, varied across Western Europe, but from the late eighteenth century, monarchs across Western Europe were confronted with middle-class demands for liberal freedoms and citizenship. The state came to be seen as an instrument for purposeful reform, and as the role of state control grew, pressures for participation intensified. To explore the links between state building and democratization would take us far beyond this essay. But the connection is clear: the creation of the modern state in Western Europe went hand in hand with the creation of territorial, (in most cases) national communities and demands for participation in sovereign parliaments.

In the EU, authority is shared among national and supranational institutions. The chief representative institutions are the Council of Ministers and the European Council, and these are dominated by national governments. But over the past decade, the European Parliament has become an influential player. Beginning with the election of 1979, representatives to the EP were directly elected rather than being selected by national parliaments. The Single European Act gave the EP an influential role in amending legislation, and this role was enhanced under the Maastricht Treaty.

The European Union was never intended to be a polity resembling existing liberal democracies, but as it takes over competencies that were once performed exclusively by national governments, demands for direct democratic accountability have intensified. Given the powerful drive towards democracy in national states in the nineteenth and twentieth centuries, and the unquestioned legitimacy of the principle of direct representation in Western democratic polities, it is natural to ask if we may be observing a ratchetlike process at the European level.

However, the pressures for democratization are dissimilar. The struggle for democracy in Western European states mobilized millions of people in trade unions and political parties. Democracy was the outcome of protracted political struggle among entrenched groups and classes. In the EU, by contrast, there has been little social mobilization on this issue, and no struggle. The principle of democracy is conceded by all sides: disagreement has hinged on whether this principle should apply to the European Union. In recent years, the issue has become more salient as the stakes have grown. The EU is regarded no longer as merely a mechanism for achieving particular policy goals but as a set of authoritative institutions worth fighting over.

One dimension of conflict pits neoliberals against social democrats on the shared assumption that the greater the role of direct democracy in the EU, the more scope there will be for authoritative control over European markets. Rather than centralize regulation at the European level, neoliberals have sought to limit regulation by mutually recognizing, rather than harmonizing, national rules in product, labor, and capital markets. Neoliberals

wish to constrain supranational authority and weaken interest group influence in order to insulate markets from political regulation.¹¹ Social democrats, in contrast, believe that the European Parliament has a positive role to play in aggregating demands for a "peoples' Europe," that is, a Europe characterized by overarching citizenship rights, commitment to social welfare, and positive market regulation. They are supported, particularly in the richer member countries, by organized labor, which has been hurt by the creation of Europe-wide markets in the absence of Europe-wide social regulation. Trade unions and many others on the Left wish to counter the market-opening thrust of European integration with supranational institutions capable of regulating markets at the European level.

A second dimension of conflict is between nationalists and integrationists. Those who believe that national states are the ultimate political communities view the European Parliament as a threat to national parliaments and sovereignty. Nationalists view the EU as a service organization to facilitate interstate bargains, and oppose any shift of democratic sovereignty to the supranational level. Today, this view is found mainly on the political Right, but it has also led some on the Left to oppose European integration because they fear that hard-won legacies of democratic struggle in individual countries will be lost if the EU takes on additional competencies. On the other side, those who want deeper political integration in Europe view the strengthening of the European Parliament as a necessary condition to their long-term goal. According to integrationists, if the EU is to become a legitimate arena for decision making on a range of vital issues, then it must become as democratic as the national polities it is supplanting. From the integrationists' standpoint, democracy and integration are interdependent: more integration, in turn, makes it imperative to strengthen the powers of the EP; a strengthened parliament will lead to increased pressure for integration.

From Exclusive to Nested Identity

The development of the modern state over the last two centuries was interwoven with the rise of nationalism and the attempted assimilation of ethnoterritorial minorities through the imposition of national symbols, language, culture, and state-funded education. The identification of state and nation was reinforced by recurrent international conflict. The logic of such conflict demanded ever more intense mobilization of communal solidarities to fight and fund wars that pitted entire societies against each other—culminating in the total wars of the twentieth century. In this context, national identity was pressed into an all-or-nothing phenomenon. Exclusive, belligerent nationalism consumed every part of an individual's

being, including his or her identity, and in time of war, made absolute claims on the lives of citizens.

European integration, by contrast, has been accompanied by a weakening of exclusive nationalism and by the first signs of what might be described as *nested* identity, that is, multiple, coexisting identities with local, regional, and supranational territorial communities, alongside an identity with the nation. Surveys reveal an increasing number of individuals who simultaneously maintain strong attachments to more than one level of community. A survey by Eurobarometer in November 1991 (European Commission 1991) found on average that individuals report as strong an attachment to regional and local communities as to their country. Only in Denmark, Ireland, and the United Kingdom was attachment to country stronger than attachment to region, while the two were evenly matched in Greece, Italy, and Portugal. Around 30 percent of those surveyed in the twelve countries professed their attachment to the European Union to be as strong as (or stronger than) their attachment to their country. In general, nested identities are stronger among younger Europeans, among the more educated, and among those who have more positive attitudes to the European Union.

The EU is becoming a territorially diverse polity rather than an international regime determined by national governments. However, it is already evident that the pattern of cleavages in this Euro-polity is different from that in the member countries. Cleavages based on social class, religion, and environmental/lifestyle issues are far less important than they are in individual states, for at the European level they are accompanied by a major new cleavage—one based on territorial identity—that arises in the course of political integration. A paradox of European integration is that national and regional identities become more, not less, salient as the peoples of Europe are brought into closer political proximity. Instead of melding particular identities in a new European mold, the EU internalizes rivalries and conflicts that were once played out in relations among national governments. A French automobile worker may feel himself to be, first and foremost, a worker inside France, but also a Frenchman in Europe. Eleven transnational political "parties" exist in the European Parliament, but they are not cohesive. Members of the EP inject their national standpoints into many of the most important issues that face them. As the Euro-polity domesticates international relations, so national rivalries will be played out among interest groups and political parties in addition to national governments.

Centripetal State Building vs. Centrifugal European Integration

From the thirteenth to the twentieth centuries, the overall direction of power redistribution and the locus of power creation in the process of

state building were towards the center. The monopolization of legitimate authority, the creation of a secular hierarchical system of justice, the deepening and widening of taxation—all pressed decision making towards the national level. This development was greatly intensified as nationalism rose across Europe and as centralized extraction, provision of welfare, and control of various sectors of the economy came to be identified with the interest of the nation as expressed by the state.

After almost forty years of European integration, scholars dispute the underlying direction in which the European Union has developed and should develop, an uncertainty that reflects the existence of wide variations in authority relations across policy areas and the aconstitutional character of European integration. At this point in time, three alternative outcomes have been hypothesized: (1) a European superstate; (2) a reinforced preeminence of states and state executives; or (3) a polity characterized by multilevel governance in which decision making is fragmented across subnational, national, and supranational levels of government. Which is it to be?

Does the telescopic vantage point adopted in this chapter provide any additional leverage in coming to grips with this fundamental question? At the outset, one should recognize that because state building and European integration are successive historical episodes, they cannot be viewed as independent cases of political structuration. It would be impossible to conceive of European integration without the prior establishment of states, for state executives have played a decisive role in European integration. It is, therefore, not surprising that the institutions of the EU have been and are being shaped by state executives. While states developed in a context of dispersed power and diffuse loyalties, the EU is being created in a context where power is focused in preexisting states having impressive reserves of loyalty, extensive organizational and financial resources, deep-rooted and powerful (though, in several cases, multiple and contested) national identities, and an undiluted monopoly of legitimate coercion within their respective territories (Hoffman 1966). Moreover, central state executives are powerfully positioned in the decision-making process of the European Union. State executives dominate the Council of Ministers, and they determine the composition of the most important supranational institutions, the European Commission and the European Court. State executives shape the outlines of the European polity through the European Council, which is an intergovernmental organization that exists outside of the formal framework of the EU, and through intergovernmental treaties that empower states as the only recognized legal actors representing their respective territories.¹²

This cluster of functions supports the thesis that the EU consolidates state executives, but the situation is ambiguous because it can be interpreted as revealing the point of institutional departure for the European Union rather than its dynamic properties. Given the strength of states after World

War II, any major restructuring of European political life would, presumably, have to give existing states pride of place even if it were to engender fundamental change in relations of authority over time.¹³

When one looks at the practice of policy making as distinct from the high politics of treaty making, there are many signs of such change. State executive domination of policy is diluted in several policy areas. Research into structural policy, for example, reveals a fragmented pattern of decision making involving the commission and subnational governments, alongside state executives (Marks 1992, 1993).¹⁴ Instead of state control or the centralization of decision making at the European level, one finds a centrifugal process in which policy competencies have been spun away from state executives both up to EU institutions and down to regional actors. New policy networks link subnational governments directly to supranational European institutions. State executives no longer monopolize the representation of domestic interests in international relations (Marks, Hooghe, and Blank 1994; Marks, Nielsen, Salk, and Ray 1994).

The conception of the European Union as a multilevel polity is consistent with the empowerment of subnational government in several European countries since World War II. The spin-off of decision making away from the state over the past decades has been just as visible in the shift down to the subnational level as in that up to the European level (Rosenau 1990; Goldsmith 1993).¹⁵ Governments across Western Europe have experimented with ways to deconcentrate administration and decentralize decision making to mollify ethnolinguistic minorities, to bring policy provision closer to policy receivers, to cushion demands on the state, and to reduce the central tax burden (Keating 1988, ch. 8; Sharpe 1988, 1989). Over the last three decades, Belgium has been transformed from a unitary into a federal polity; Italy, France, and Spain, previously highly centralized political systems, have created a comprehensive layer of regional government; and Greece, and to a more limited extent Portugal, have moved tentatively in the same direction, partly in response to the financial advantages of participation in the EU's structural policy. Only Germany, which is a federal polity in a culturally homogenous society, has moved steadily in the opposite direction. Ireland remains highly centralized, though there are pressures for the creation of regional government. And in the United Kingdom, successive Conservative governments have restricted the autonomy of subnational governments and resisted demands for devolution, though such demands are unlikely to dissipate in the future.

Although state executives remain strongly entrenched in the EU and play the major role in determining the basic institutional setup, there are some strong reasons for believing that the trend over the past several years is towards a multilevel polity in which competencies are shared across institutions stretching both above and below the state (Leibfried and Pierson

1996; Scharpf 1994; Marks 1993). In some respects, the structuration of authority in this polity has more in common with feudalism than with the state system. Both the feudal and the European political orders are characterized by multiple spheres of legitimate authority and by a corresponding propensity for individuals to have nested, rather than exclusive, political identities. Table 2.1 describes basic characteristics of the feudal political order, the state order that followed it, and an emergent poststate order exemplified in the emerging Euro-polity.

It is worth stressing that there is nothing inexorable about the development of a poststate order in Europe. The dynamic of European integration is not an objective process divorced from the political projects of the participants, and the future of the EU has now become the subject of polarized debate. Because it is the project of creative political actors, the EU is liable to be molded in innovative and unpredictable ways. State building, in which innovation was constrained by the dictates of systemic, often coercive, competition, the shape of the European polity is, as I argue in the next section, not as tightly coupled to its international environment.

The Systemic Contexts of State Building and European Integration

Both state building and European integration are driven by competition and learning. That is to say, the dynamics of state building and of European integration are to be found beyond the individual societies in which the particular forms of the state and the European Union developed. But the logic of political development appears different in the two cases.

The state developed in an international system of multiple diverse, and contending national states, city-states, and city-empires. Competition, often violent competition, among these units shaped the kinds of political structures that could feasibly be sustained.¹⁶ In this scenario, institutional development can be understood in terms of Darwinian political-economic competition, enhanced by learning oriented, above all, to capacity for war making. The state did not develop autonomously in each political unit, but as a result of the interaction of those units.

European integration has also been profoundly influenced by its international context. The European Union originated in the 1950s in a window of opportunity created by the absence of great power rivalries among Western European countries, by the cold war, and by the horrendous experience of World War II. The "1992" market-opening reforms were a response to the weakening competitive position of strategic Western European industries and the rise of East Asian economies, particularly that of Japan. But the development of the EU appears far less tightly coupled to its international

Table 2.1. Typology of Political Orders in Western Europe

	<i>Feudal order</i>	<i>State order</i>	<i>Post-state-order</i>
Constituent units	Multiple overlapping kingdoms, fiefdoms, duchies, city-states, principalities, etc., alongside universalistic church	Limited number of sovereign states, each containing a nested layer or layers of territorially differentiated, nonoverlapping subnational governments	Limited number of states alongside a variety of overlapping supranational and international organizations formed by states and subnational groups
Principles of integration	Multiple, nested secular obligations alongside territorial loyalty to church	Exclusive, territorially defined identification with individual states and their constituent nations	Multiple, nested identification with communities at diverse levels of aggregation
Decisional locus	Multiple, autonomous spheres of secular and ecumenical competencies alongside traditional rights and immunities	Singular, hierarchical structure of decision making within each sovereign state, modified in some cases by federalism	Multiple, shared competencies among national, subnational, and supranational governments

environment than was that of the state. Rulers who failed to meet the demands of war making and resource extraction faced coercive removal from office. European integration appears less constrained. The institutional form of the EU is determined by neither violent confrontation nor the pressures of adopting lessons from struggles among other, similar regimes.¹⁷ European integration is an open-ended, noncoercive process that, unlike state building, lacks unambiguous criteria of success and failure.

In recent years, there have been renewed signs of institutional diffusion with the establishment of the North American Free Trade Agreement and a variety of regional regimes in South America, Africa, Asia, and the former Soviet Union. The European Union offers several possible models for emulation: a supranational polity diminishing the possibility of war among its constituent states; an integrated market enhancing economic welfare; a regional trading bloc able to exert considerable leverage in trade negotiations; a potential monetary, political, and defense union with superpower ambitions. There are already signs that the perceived benefits of European integration have precipitated similar efforts elsewhere. If this is the case, then the logics of European integration and state building may not be so dissimilar after all: both may be driven by competitive mobilization, by an attempt to increase relative political power vis-à-vis contending political units.

States Were Created in War; the European Union in Peace

The most important sources of state building have to do with funding and conducting war. The coalescence of states in the critical fourteenth century was a direct response to the changing scale of warfare. Innovative organization and the drilling of infantry reduced the effectiveness of traditional heavy cavalry and greatly increased economies of scale in conducting war. Siege cannon practically eliminated the castle as a means of defense and opened up additional economies of scale. Armies became larger; feudal barons were denied the possibility of effective resistance behind the walls of their castles unless they made huge new investments; and the invention of new intensive and extensive sources of taxation became a matter of survival in relations among increasingly centralized monarchies (Bean 1973).¹⁸

One can see a similar causal dynamic in the development of the modern state as a response to total war in the twentieth century. The first such total war involved an unprecedented mobilization of human and material resources. Recruitment of millions of soldiers, provision of arms and munitions on a vast scale, rationing of scarce commodities, and an intensified need for legitimacy and cooperation of organized labor—all led national governments to assume direct control of key sectors of industry, to regulate

the labor market as never before, and to set up an array of authoritative decision making institutions to bring diverse areas of the economy and society under centralized control. The terms used to describe this development usually refer to some form of socialism (for example, "state socialism," "war socialism," and "wartime collectivism"). But the dynamic of change was not class conflict or social democratic rule but total warfare. Although much of the apparatus of wartime control was eventually dismantled in peacetime, the experience of total war reinforced the identification of state and nation, ratcheted up permissible limits of taxation, revealed new possibilities for state intervention in diverse fields of human affairs, and decisively broadened conceptions of the proper responsibilities of the state (Hobsbawm 1992).

Given the powerful impetus towards the centralization of decision making in the state as a consequence of war, it is not surprising that European integration and the general process of diffusion away from the national state has taken place during a period of extended peace in Europe. A dominant characteristic of European integration has been diversity of levels, styles, and arenas of decision making.

On the basis of past experience with war, one may wonder if this mosaic is a peacetime luxury that would be compressed into a new centralized state order under wartime conditions. The question is, of course, a matter of speculation, but it is possible to imagine a potential reimposition of national state domination in the efforts of some governments to defend their "sovereignty" by framing issues in sharply nationalistic terms, or even to imagine a world divided into a limited number of mutually exclusive, intensely competitive, and potentially combative spheres of influence of which the European Union would be one. One may gain a taste of the latter possibility in the competitive creation of trading blocs in Europe, North America, and Asia and in the mobilization of national xenophobic, particularly those between the United States and Japan. Under this scenario, European integration would no longer be a misnomer; integration would take place in the historical mold of state building, guided by the centripetal logic of war and taxation and by the solidification of new identities in the process.

Notes

1. Peter Katzenstein's conceptualization (1987, 1997) of Germany as a "semi-sovereign state" provides an interesting point of departure for comparisons with the EU.
2. James Caporaso (1996) has written a suggestive article that captures differences between the EU and the Westphalian state.

3. The fact that the Basic Law was conceived as a temporary constitution for the western portion of a divided Germany reinforces the contrast between regime building and European integration.

4. Correspondence with Neil Nugent. This is a recipe for confusion and cannot help the EU's quest for legitimacy. In the matter of names, constancy is itself a virtue. After the response to Maastricht, it may safely be predicted that intangible as well as financial costs of terminological change will be factored more fully into treaty proposals. Experts themselves are liable to slip up. I cannot resist recounting that at a recent conference a prominent scholar tried to update terms in mid-sentence, and found himself referring to the European "Communism."

5. In this context, Haas speaks of the "autonomy of functional contexts" (1961, 376) and "asymmetrical overlapping" (1971, 31).

6. This idea is applied to state building by Mann (1986, 436).

7. The best overview of the Maastricht Treaty and its implications is provided by Schmitter (1996).

8. The three mentions are the following (my italics):

Article A: "This Treaty marks a new state in the process of creating an ever closer union among the peoples of Europe, where decisions are taken as closely as possible to the citizen." [Subsidiarity is here defined without mentioning the term.]

Article B: "The objectives of the Union shall be achieved as provided in this Treaty and in accordance with the conditions and the timetable set out therein while respecting the principle of subsidiarity as defined in Article 3b of the Treaty establishing the European Community."

Article 3b: "The Community shall act within the limits of the powers conferred upon it by this Treaty and of the objectives assigned to it therein. In areas which do not fall within its exclusive jurisdiction, the Community shall take action, in accordance with the principle of subsidiarity, only if and insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of proposed action, be better achieved by the Community."

9. Peter Lange and Louise Davidson-Schmich (1995) make this point, though they argue that elections for the EP have not, in general, become more focused on European issues since 1977.

10. On the intermeshing of power in the EU, see Marks, Hooghe, and Blank 1994. The EP has more influence over legislation than it is usually given credit for. See Tsebelis 1994 for a revealing analysis of the power of the EP under the codecision rules that preceded Maastricht.

11. Mancur Olson (1984) argues along these lines.

12. This line of argument is developed in Moravcsik 1994.

13. Alan Milward (1992) takes a different view. He points out that most states in Europe collapsed under German aggression between 1938 and 1940, and claims that the "rescue of the nation-state from this collapse, which appeared to mark the end of [the nation-state's] long domination of European history, is the most salient aspect of Europe's post-war history" (p. 4). However, the collapse of states in Europe only lasted as long as the coercive domination of the Third Reich. Once Germany had been defeated, political life once again was organized in states. Hitler swept individual states away but did little to delegitimize the idea of the nation-

state as the ultimate form of political organization. Little effort was needed to rescue the idea of the nation-state, and the rescue of individual states was achieved by Allied force of arms between 1940 and 1945. The exceptions were Eastern Europe, where German hegemony was replaced by forty-four years of Soviet hegemony, and West Germany, where a state built on a divided nation suffered, initially, from a deficit of legitimacy.

14. For a wide-ranging overview of issues and evidence, see Majone 1994b.

15. This is the point of sharpest disagreement between the view developed here and that of Michael Mann (1993, 118), who claims that "even if [the state] were declining in the face of . . . supranational forces . . . , it is still gaining at the expense of the local, the regional, and especially the private forces."

16. Essentially, as Charles Tilly (1989, 582) points out, the city-state and city-empire were doomed once national states effectively mobilized their populations into mass armies.

17. Perhaps it would be well to emphasize that the contrast I am drawing between state building and European integration does not rest on an assumption that states were uniquely determined by the logic of their interaction. Even if one were to apply a framework of biological evolution to the development of the state, it would not in principle be possible to predict institutional outcomes from initial conditions, just as it would not be possible to predict the course of a species' adaptation from knowledge of its biological make-up and its environment.

18. Charles Tilly (1985, 178), though critical of Bean's historical analysis, observes, "After 1400 the European pursuit of larger, more permanent, and more costly varieties of military organization did, in fact, drive spectacular increases in princely budgets, taxes, and staffs." For an overview of contending approaches to state building, see Ertman 1994.