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THE EUROPEAN COMMUNITY AS AN  
EMERGENT AND NOVEL FORM OF  
POLITICAL DOMINATION

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Philippe C. Schmitter is Professor of Political Science at Stanford University and was a visiting professor at the *Center for Advanced Study in the Social Sciences* of the Juan March Institute in Madrid during the spring term of 1991. This working paper was presented at a public lecture held at the Institute on May 16, 1991.

The study of European integration has long been hampered by the absence of a clear and shared definition of its dependent variable.\* What is the integration of previously independent national states? Is it a condition or a process? How are its economic, social, political and cultural components related? Toward what end-state, if any, are these uneven and disparate efforts converging? To what degree would an eventual equilibrium resemble previous forms of stable political domination?

A variety of promising attempts to answer these questions flourished through the 1960s and then floundered by the mid-1970s. Each attempted to explain a different condition; each focused on a different outcome to the process of integration; each managed to capture some significant aspect of the process; each enjoyed its momentary prominence; each declared the others disproved or irrelevant -- without, however, coming up with a compelling answer of its own. "Functionalists" with their faith in science, technocrats and international civil servants; "Neo-Functionalists" with their interest groups, 'package-deals' and 'spill-overs'; "Transactionalists" with their trade flows and mail exchanges and emergent identities; "Realists" with their distinction between 'high' and 'low' politics and accent upon political will; "Intergovernmentalists" with their insistence on national interests, diplomatic bargaining and sovereignty -- all entered the fray at one time or another.

Yet, none of them could have predicted the sudden upsurge in activity that led to the Single European Act in 1985 and the decision to set December 31, 1992 as the deadline for removing the remaining barriers to movement and exchange within the European Community (EC). Retrospectively, any of these approaches could be called upon to describe and even to justify what has been decided, but none can explain why and when these initiatives took place -- precisely at a time when virtually all theoretically inclined social scientists had declared European integration to be moribund and abandoned the study of it to those whose only ambition was to describe what was happening in Community institutions.

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\* This is a draft of a part of an eventual book that will examine the European Community (EC) in the light of the current effort "to complete its internal market" by 1992. An earlier version was first presented to the Swedish Collegium for Advanced Study in the Social Sciences (SCASSS) Conference in Uppsala. I would like to thank the participants at that conference and, especially, my collaborators in "The Consortium for 1992" for their numerous comments and criticisms. A shortened version was given as a public lecture at the Centro de Estudios Avanzados en Ciencias Sociales of the Fundación Juan March, where I was a visiting fellow in the Spring of 1991. My special appreciation goes to Joaquín López Novo, both for his hospitality during my stay in Madrid and for his editorial talents in preparing this manuscript for publication in the Working Papers Series of the Centro.

As a former (and disillusioned) protagonist in these theoretical skirmishes, I obviously have my biases about which approach was (and still is) better equipped -- conceptually and strategically -- to understand the underlying and enduring processes of regional integration, but I propose to suspend these disputes and concentrate -- at least initially -- on a different subject: the definition of the dependent variable. This must involve an effort to specify some plausible or possible "end-state(s)" of the integration process, some configuration and role for the eventual institutions of the emergent EC that stands a chance of consolidating itself. This is not to suggest that its attainment will mean "the end of history" because all previous conflicts and even contradictions will have been resolved by some supraordinate arrangement -- just that if it is attained, the political landscape of Europe will be irrevocably altered, and in a predictable direction.

I believe that this is an especially urgent task for the politicological imagination because the three most obvious "models" of what the integration outcome might look like are of dubious validity:

(1) The post-1992 EC will not be just a permanent diplomatic conference or intergovernmental organization that will elaborate rules for the rational conduct of exchanges and cooperative resolution of conflicts among otherwise autonomous economic, social and political units. Hence, the limited relevance of the literature on international regimes and organizations, not to mention the earlier literature on international law and arbitration and the recent attention to iterative "cooperative games."

(2) It will not be -- at least, not for the foreseeable future -- a nation with a supraordinate sense of identity, rooted in common symbols and experiences, and in a particularly intensive and exclusive pattern of social communication. Exit the abundant literature on nationalism and most of the importance of regionalist analyses of language use and transaction flows.

(3) It will not (yet) be a state, at least not in the strict sense of the term, i.e. a political organization that uniquely controls the concentrated means of coercion within a given contiguous territory, that exclusively claims the right to control the movement of peoples and goods across its boundaries and that is formally centralized and differentiated from society (Charles Tilly, by way of Max Weber). Ergo, the potential misleadingness of efforts to (re-)interpret the EC as the concatenation and/or culmination of the historical process of state-building in Europe.

All prior efforts to theorize about the process of European integration explicitly or implicitly adopted one or another of these three "prototypes" as their respective end-states. Each then judged the evolution (or non-evolution) of Community institutions according to the degree to which they approximated these outcomes. When they got there too easily, as was the case with

intergovernmentalism, there was no reason to suspect that the diplomatic haggling over national interests would ever give rise to some more authoritative, higher-level capacity for innovation and allocation. When they failed too readily to produce a new overarching identity, the transactionalists could confine their attention to attaining the status of a “regional security community” with little chance for eventual “amalgamation.” When spillovers either failed to occur or did so without continuously expanding the powers of central authorities, the neo-functionalists simply lost interest. When national political leaders clamorously called a halt to efforts to expand the scope or intensity of supra-national institutions, the realists could triumphantly proclaim: “we told you so!” and consign the EC to the role of just another international organization dealing with ‘low’ politics. None of these assignments or evaluations were, strictly speaking, wrong; all of them, however, failed to capture the longer-term dynamic of the European integration process.

In my view, the only way to do this is to recognize that the EC is not (and will not become) just another international organization. Nor should it be conceptualized as either a continental nation or a supra-state in embryo. It must be explicitly treated as a new form of political domination, capable of evolving into one of several possible end-states.

### **INTERMEDIATE FORMS OF DOMINATION AND INTEGRATION**

There is something very ironic about the recent American fad for “bringing the State back in,” since it is precisely in the present epoch that the existing State least resembles its historic self. In the West (and increasingly elsewhere), it has irretrievably lost that alleged capacity for unitary action, that unchallenged centrality in human existence, that differentiation from civil society upon which its supposed autonomy rested, that “boundedness” and security which territorial exclusivity seemed to provide it, that sovereignty that separated and protected it so definitively from other political units. Even its most famous and irreducible property, the monopoly of the collective means of violence, is now shared with numerous private armies and international alliances, and restricted in application by national and global norms. It is, therefore, high time that its indiscriminate use be banned from political analysis -- except in those (rare) instances where state capacity and action are wielded distinct from the powers of national governments, civil services, parties, associations, movements, firms, bureaux, individuals, etc.

Nowhere is it more appropriate to begin this “purge” than with the study of the emerging institutions and practices of the EC. This is not to argue that the EC is on its way to becoming something completely unique. Rather, I would characterize it as an extreme manifestation, a sort of reductio ad absurdum, of trends that are endemic to the modern state in advanced industrial societies

and that are everywhere undermining its “stateness.” From this perspective, the EC should be thought of as a proto-type, a sort of supra-national testing ground for new forms of organized political domination that are also and already emerging at the national and sub-national levels.

If we are to capture the full range of possible outcomes of the European integration process, our first task must be to interject between the notion of “the State” and its antipode, “the Market,” a series of intermediate statuses. In other words, somewhere between sovereign units each with an unambiguous monopoly on violence, at one end, and diffuse networks based on multiple voluntary exchanges, at the other, we should be able to conceptualize the possibility of alternative and stable forms of order. These equilibria of different types may mix the principles and practices of states and markets, but they should not be conceived as merely transitory, i.e. just way-stations on the route to becoming a state or a market. If attained, actors in them should have sufficient incentives to preserve existing patterns of power and exchange and, therefore, the resultant institutions would possess a logic and reproducibility of their own. In the specific sphere of the EC, these intermediate end-states would be neither supra-ordinate to existing states, nor sub-ordinate to them. They would have the authority to command obedience, to resolve conflicts and to distribute resources, but without resorting to the ultima ratio of coercion or relying on some exclusive and overarching sense of loyalty.

In Figure One (see next page), five ideal-types of domination/integration are delineated. Four of them share the quality of being an emergent site of decision-making with some power over previously independent member states and some capability for action vis-à-vis non-member states. Since the purpose is to predict the likely outcome of the 1992 Process, the property space has been defined in terms of the obligations the Twelve have already assumed, along with possible related spill-overs in the areas of macro-economic coordination and social welfare. In the “pure” national state it is presumed that all of the issue areas remain exclusively within the domain of independent national authorities. None are explicitly and permanently coordinated across units, although some may be implicitly and contingently constrained by market forces, occasionally subjected to ad hoc collective actions or consensually regulated by international regimes that are not exclusive to the region. Inversely, in the “ideal” supra-national state, all these matters would be subject to standardized treatment (ST) over a distinctive territory by a single central authority.

A confederatio<sup>1</sup> would be based on the uniform elimination of all political barriers to trade in goods and services and to movements of capital, but retain sub-unit, i.e. national, control over the physical displacement and residence of persons. Its normal mode of response to issues of potential policy coordination is mutual recognition (MR) -- where what is legal or tolerated in any one member state is legal and tolerated by all members. This permits a good deal of persistent variation across territorial units in both meso- and macro- policies, although the areas of a

FIGURE ONE

POSSIBLE OUTCOMES FOR EUROPEAN INTEGRATION

ISSUE AREAS	NATIONAL STATE	CONFEDERATION	CONDOMINIO	FEDERATION	SUPRA-STATE
1. REMOVAL OF BARRIERS					
A. TRADE IN GOODS & SERVICES; MOVEMENT OF CAPITAL	--	ST	ST	ST	ST
B. BORDER CONTROLS	--	--	ST	ST	ST
2. SECTORAL/FISCAL POLICIES					
A. TAXES	--	MR	H	ST/MR	ST
B. SUBSIDIES TO FIRMS	--	MR	H	ST/MR	ST
C. GOVT PROCUREMENT	--	MR	H	ST	ST
D. SECTORAL GOVERNING	--	MR	H	ST/MR	ST
3. MACRO-ECON. COORDINATION					
A. MONETARY UNION	--	N?	N?	ST	ST
B. BUDGETING	--	MR	MR	MR	ST
C. ENDEBTEDNESS	--	MR	MR	MR	ST
4. SOCIAL & WELFARE POLICY					
A. HEALTH & SAFETY	--	N?	ST	H	ST
B. PENSIONS	--	MR	ST	H	ST
C. UNEMPLOYMENT	--	MR	ST	MR	ST
D. WORKER RIGHTS	--	MR	ST	H	ST

common currency and a minimal set of health and safety standards may require some harmonization (H) in order to avoid serious distortions in economic competitiveness. Next in the Guttman-like scaling of ideal types is the most difficult type to characterize. Unlike the confederatio which has at least been exemplified by a few historical cases: the USA from 1776 to 1788, Switzerland before 1848 or even the constitutional reforms of 1872, the German Union (1815-1866) and Zollverein until 1870, and the federatio of which there are multiple contemporary exemplars, the condominio represents a genuine novelty. Its principal characteristic is the central role played by functional regulation and fiscal coordination. Members agree voluntarily to devolve responsibility for the harmonization of certain practices, i.e. the establishment of binding minima and maxima for particular branches, sectors or products, to a set of supra-ordinate institutions, but leave themselves relatively unconstrained with regard to those matters which are rooted in territorial diversity or require cross-sectoral coordination. Whereas all the other types are based on a fixed number of members over a consistent territory, condominii can vary not only in number depending on the functions covered, but also in membership depending on the national (or even sub-national) authorities that decide to accept the negotiated obligations.

The federatio should seem a lot more familiar. Indeed, it is almost routine to refer to the future of an integrated Europe as “federal” -- without, of course, defining clearly what this would entail. What differentiates this outcome from the confederatio is the existence of a distinctive central governmental authority based on an explicit (if changing) demarcation of tasks along territorial lines between this national government and various sub-national ones. It would harmonize or even standardize treatment in such key policy areas as border controls, government procurement, currency and interest rates, health and safety measures, pension schemes and worker rights, but leave its component units relatively free in a variety of sectoral matters, supplementary taxation, budgeting and government borrowing and unemployment insurance -- within boundaries set either by the market or by bargaining over mutual recognition. Unlike the condominio with its stress on sectoral regulation and “the Social Dimension” at the European level, the federatio is compatible with drastic deregulation and “competitive legislation” among sub-units, perhaps, coupled with some re-regulation by central authorities in sectors or professions “of over-riding supra-national interest.”

This way of delineating ideal-types in terms of their prospective patterns of policy response to the issues currently under discussion in the 1992 Process may seem unwieldy, not to say confusing, and even arbitrary. Not only are the “assignments” highly speculative, but they fail to provide any clear indication of how the various types might respond to other issue areas that could emerge, e.g. immigration, naturalization, defense, education, energy, transport, etc. A safer and more orthodox approach would be to describe them in terms of their respective patterns of



authoritative institutions. This I will now attempt to do with the caveat that each category is bound to contain within it a good deal of subsequent variation. I will leave aside the “classical” national state and its supra-national transposition since these basic configurations are relatively familiar.

**The Confederatio: a set of previously independent political-territorial units that voluntarily agree to remove barriers to mutual exchanges in goods, services, capital and persons without establishing a single central authority to regulate these exchanges or to redistribute their effects among members.** The principal attribute of the new center is to act on behalf of member states with regard to outsiders. The sub-units remain in control over all territorially specific policy matters. Decisional institutions within the center are composed exclusively by representatives of member states; individual citizens and firms have access to them only through national governments. They may chose to create “regimes” for specific tasks and, therefore, devolve additional authority upon common institutions, e.g. for monetary affairs or minimal social legislation, but always with the assurance that decisions be made unanimously and that secessions be permitted. Even when sovereignty is “bounded and pooled” for these purposes, the policies involved are implemented only by national administrative agencies. Mutual recognition is the norm, tempered by a willingness revise measures or compensate others for manifest externalities; log-rolling is the style, as actors resort to sequential “packages” to overcome the resistance of specific member states.

In contemporary Europe, this outcome could emerge from a strict, but narrow, fulfillment of the 1992 obligations -- with the exception of the commitment to redistribution via structural funds and action in the few policy arenas where the Commission has a responsibility for direct implementation. The removal of border controls (and, even more, their replacement with some European-level police power) would exceed its design, as would the harmonization of tax legislation, budgeting prerogatives and social policies. A spill-over into monetary union might be tolerated, but only if subjected to close control by member states and governed by the unanimity principle. The direct election of deputies to the European Parliament and the existence of qualified majority voting in the Council of Ministers are indications that the EC may have already surpassed the confederal level.

The problems of a sustainable confederatio revolve around two issues. First, it is weak in its capacity to organize a collective response to new issues, especially those that might threaten to upset existing distributions of power or benefit. Each challenge must be subjected to unique deliberation and unanimous decision which not only lengthens response time, but also gives repeated opportunities for the extraction of concessions by the most recalcitrant member. As Fritz Scharpf has argued, a system of this type runs the risk of falling into “the decision trap” in which decisions become increasingly difficult to reach and outcomes increasingly compromised.<sup>2</sup> Second, it is essential that the participants in such an arrangement be a consistent set (and limited number)

of actors with analogous properties and interests -- however diverse. This permits the development of an iterative process of cooperative problem-solving and the emergence of trust across an expanding range of issues. Instead, the states of present-day Europe are “eccentric,” rather than “concentric” with regard to each other. Not only does the number of potential members of a confederatio europea vary -- from, say, 12 to 22 -- but almost every one of them is inserted into extra-European arrangements in a distinct fashion. As the lowest-common-denominator solution, it will presumably always be easiest to label whatever comes out a “confederation,” but will the outcome be productive and stable? Or will it be merely a way-station -- either on the low road to reversion to a national state system or the high road to some more centralized and constraining form of regional integration? The past history of “leagues” and “confederations” is hardly encouraging, although it could be argued that, under what I shall call below, “post-Hobbesian conditions,” it should be given another chance.<sup>3</sup>

**The Condominio:** a set of previously independent national states that agree to remove all barriers to the exchange of goods, services, capital and persons and to establish functionally specific authorities to regulate the conditions for these exchanges without, however, agreeing to govern their impact through a territorial redistribution of benefits. The core to this outcome of the integration process lies in establishing a distinctively functional basis for central authority. Its principal attribute would be to create agencies for the direct implementation of policies affecting specific classes, sectors and professions, while leaving the existing national (and sub-national) units in control of all matters of a primarily territorial nature. Decision-making institutions would be composed of administrative specialists, independent experts and representatives of specialized interests;<sup>4</sup> individuals and firms would have access to their deliberations either through these intermediaries or through some process of judicial review. A multiplicity of “regional regimes” could co-exist within such an arrangement, each with its distinctive interest clientele, institutional format, level of obligation and decision rules. Harmonization or standardization are the likely norms, modified by concessions to national or local specificities; proportionality is the likely style, as participants weigh and consensually combine each other’s respective intensities of interest.

This is the most likely outcome one might have predicted for the EC on the basis of its evolution prior to the Single European Act, and it is still a possibility. The Act’s modest expansion of the Commission’s direct responsibility for implementation -- especially in the area of environmental policy -- and the prospective complete removal of border controls strengthen this tendency, while its expansion of the commitment to territorial redistribution by doubling the so-called “structural funds” pushes in another direction. Spill-over into monetary union, especially if

accompanied by a highly autonomous, “technocratic” European Central Bank would give it a considerable boost, while an extension of the role of the European Parliament would not.

One of the “hidden virtues” of the condominium outcome is the way it could exploit the “vice” of European eccentricity. So far the EC has expanded in membership by requiring all new entrants to accept the full acquis communautaire -- after a negotiated period of adaptation. The recent events in Eastern Europe and the pending applications from around the Mediterranean will place quite a strain on that concentric design. Given their diversity, prospective members may not be prepared to accept the whole package; just as existing members may be unwilling to move further in a given functional domain. A condominio europeo could easily adapt to this, not only by incorporating a considerable variety of relatively independent regional authorities dispersed across a variety of sites -- with their own decision rules and levels of obligation -- but each could be composed of differing subsets of European states: a European Environmental Authority stretching from “Brest to Brest-Litovsk,” even to the Urals and beyond; a European Central Bank with a compact group of ten or eleven; a European Energy Network with some intermediate number; and so forth.

Needless to say, the condominio outcome would have its own specific vulnerabilities which might make it merely a transitory stage to some more enduring pattern of domination. The first and most obvious is that of sheer incoherence. How, with such a proliferation of functional institutions, could one expect any coordinated policy outputs to emerge? What mechanisms could be reliably applied to resolve the likely overlaps in organizational compétence and conflicts in substantive interests? Who, if anyone, would represent Europe as a whole in negotiations with outside powers? Part of the answer may lie in market forces which could be expected to allocate rewards to those regimes which were more efficiently managed, but this is unlikely to be fully acceptable to those affected since it was precisely to avoid such an automatic and unjust distribution of benefits that the regimes were established in the first place! The technocratic solution would be to rely on experts, say in the Commission, to decide which regional organization was most competent to act; the legalistic solution would be to refer such contested matters to an independently established judiciary system, such as the present European Court of Justice supplemented by a system of lower administrative courts; the political solution would be to dump them in the lap of a European Parliament with expanded functions. Solutions One and Two would serve to enhance the condominium outcome; Solution Three might push the design in a quite different direction by subordinating all this dispersed functional activity to the scrutiny of territorially-based representatives.

The second major source of vulnerability of an eventual Condominio concerns its legitimacy. Citizenship in modern Europe, as opposed to Medieval Europe, has been firmly rooted in territory. Individuals have grown accustomed to according a certain deference and identifying

themselves symbolically with authorities who can claim to represent a particular culturally defined space. Moreover, virtually all of our notions of democracy rest on representation through territorially defined constituencies. Efforts to supplement this with some “Second Chamber” based on functional interests have been notoriously unsuccessful -- and often associated in the mind of the public with state corporatism and authoritarian rule.<sup>5</sup> Functionalist theorists of integration, both the early Mitrany-an variety and the later Haas-ian one, have long insisted that progress along these lines would eventually produce a shift in expectations and loyalties -- and not just an opportunistic re-orientation of political attention. Among contemporary scholars, Paul Taylor has been particularly insistent that the integration process had to contain such a communitarian component,<sup>6</sup> without however providing a very compelling argument about how this could come about, much less offering any empirical evidence that this has indeed occurred. In all fairness to the condominio notion, it should be pointed out that virtually all the designs for Europe suffer from a “democracy deficit” -- except, perhaps, for the one we can now turn to.

**The Federatio:** a set of sovereign states that agree not only to remove all barriers to the circulation of goods, services, capital and persons among themselves, but also consent to establish a territorial division of government that endows a single center with overarching authority while protecting the (limited) autonomy of the previously independent units. The new center accepts some responsibility for monitoring and compensating inequalities in the distribution of benefits across its component units and serves as the exclusive representative of the whole vis-à-vis other powers. Since federations are a well-known genus, it seems unnecessary to explore their common properties in detail. The division of political labor between national and sub-national units can vary considerably;<sup>7</sup> the extent of commitment to redistribution likewise. Some empower the central government to implement national policies directly and extensively; others act primarily indirectly through inter-level negotiation and subsidization. Some have all unspecified powers revert to the center; others limit the tasks of the federal government and leave the rest to the member states. All have a myriad of functional agencies as in the condominio, but subject them to dispersed administration and control by territorial authorities. Most have dualistic legislative institutions, one chamber of which is based on representation by member states, whether directly elected or indirectly appointed. As with the confederation, the federal format presumes a fixed and consistent set of member states, although the rules for entry and exit are not usually as flexible as in the case of the former. Federatii typically combine standardization of rules at the central level, say for certain taxes, subsidies, welfare policies, health and safety regulations, professional qualifications, etc. with the mutual recognition of local or provincial diversity on supplementary policies or in other domains such as education, culture, land use, etc. Decision rules vary, but typically mix majoritarian practices in some institutions with weighted voting or qualified majorities in others.

Long before the EC was even imagined, federatio was advocated as an appropriate solution for European integration. It was precisely the failure of the region's political elites after World War II to agree on this -- i.e. to follow the model of the U.S. founding fathers -- that lead the originators of the Community to adopt a functionalist strategy faute de mieux.<sup>8</sup> Except for some added powers to the European Parliament, the provisions for qualified majority voting in the Council of Ministers and the expansion of redistributive policies, the Single European Act could hardly be described as a "federalizing document." Some subsequent suggestions for the development of EC institutions, however, do point in this direction: a European Senate with representatives elected by national parliaments; Euro-parliamentary election of the Commission's president; a strengthened role for the Commission through more direct implementation of policies; publicization of the deliberations of the Council of Ministers. The currently fashionable discussions about "subsidiarity" also hint at the search for a general principle to guide the emerging territorial division of authority in the absence of a formal constitutionalization of it. So, Europe could still move in a federal direction, especially once the magnitude and complexity of the 1992 directives have exhausted the capacities of existing EC institutions. One intriguing possibility concerns not so much which states would choose to become (or be accepted as) members -- that is uncertain enough -- but whether the component units of a eventual federatio europeae might not be sub-national regions rather than existing national states.<sup>9</sup>

Just as the federal format is more familiar, so are its problems. Legitimacy should not, in principle, be an issue since it conforms to well-established norms of territoriality and representative government. Nor should prospective longevity since there is abundant proof that federations can survive even very major threats to their existence. Admittedly, they are often plagued by persistent conflicts over "states rights" and by protracted periods of policy immobilisme, especially when their decision rules approximate the unanimity principle so characteristic of the confederation,<sup>10</sup> but history suggests that these difficulties can be overcome by compromise without civil war and/or imposition by the most powerful sub-units.

What will be a serious obstacle is the relatively high threshold that is required of consenting member states to get such a polity started. Reaching it may be virtually impossible in the case of long-established political units with distinct national identities and roles in the international system. Moreover, once it has been established, the entrance of new members and the exit of dissatisfied older ones is a complex and relatively difficult matter.<sup>11</sup> This makes a federatio a particularly cumbersome form of integration to apply in a situation characterized by uncoordinated changes and unclear boundaries to the East. If the EC members chose to "deepen" rather than to "widen" their commitment along these lines, where would that leave other potential aspirants? Presumably,

excluding the EFTA neutrals would have little effect, but could the Twelve really afford to turn their backs to their brethren in Eastern Europe without endangering the political and economic transformations that are underway there? Granted it would have the appeal of more securely “anchoring” Germany to the West than either a confederatio or a condominio, but at what price? If an integrated Germany with 80 million inhabitants and by far the largest economy were to be its dominant sub-unit, would not the others prefer to settle for a more diluted outcome -- at least until the security context has been defined?

The second problem is the so-called “federalizing tendency,” namely, that the division of territorial authority in federatii may not remain fixed -- constitutional restrictions to the contrary notwithstanding -- but is likely to evolve in the direction of greater centralization. If such eminent scholars as Carl Friedrich are correct, the adoption of federalism for Europe would merely be a transient phase on the way to its eventual transformation into a more unified supra-national state.<sup>12</sup> German and Swiss students of the genus are, however, not so convinced that a stable equilibrium cannot be found.<sup>13</sup> Since much of the discussion about this alleged trend revolves around assumptions about the role of federal authorities in foreign policy, especially with regard to security threats and defense imperatives, perhaps we can resolve the controversy by examining certain changes in the broader inter-state context which surrounds the 1992 experiment.

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Delimiting these three intermediate types of outcome is but a first step in “theorizing backwards” about the integration process. The really interesting question is whether they are compatible with each other, whether it is possible to move towards a confederatio in certain issue areas, a condominio or a federatio in others. Once again, the answer may lie not within Europe itself, but in the world-system as a whole.

### THE NOTION OF POST-HOBBSIAN ORDER

One way of capturing the distinctiveness of confederation, condominio and federatio compared to our usual “state-centric” perspective to think of them as different species of “Post-Hobbesian” order. Their principal, if implicit, precondition is the absence of military insecurity as the overriding motive/excuse for the exercise of political authority, hence, the changing relevance of territoriality to define its limits and capabilities. This entails a rejection (implicit or explicit) of the necessity for sovereignty, defined as the existence of an unambiguously dominant person or institution at the summit of a permanent, comprehensive, unique and hierarchical structure of command. There is no longer a justifiable need for a single center controlling the concentrated means of coercion and regulating the movement of persons, goods and services across a fixed

territory. Moreover, legitimacy is no longer conferred on the basis of a (putative) contract with a single person or institution that is formally separated and relatively autonomous from the citizenry and, thereby, empowered to impose its will upon all in the name of the national/state/public interest.

In all these forms of Post-Hobbesian order, there is no single identifiable sovereign<sup>14</sup> -- just a multitude of authorities at different levels of aggregation, territorial or functional, with ambiguous or shared compétences at the head of overlapping and diverse organizational hierarchies. Policies are not definitively enunciated and vertically administered; they are constantly negotiated and indirectly implemented. Moreover, there are several centers with differing degrees of coercive power -- and not all of them are public or governmental. Most of the movement of persons, goods and services, within and across boundaries, would be determined by market forces, but this would be modified by differing degrees of collective self-regulation and bargaining among interests. The core mechanisms of class relations would neither be structured and controlled by central authorities, nor left completely to the hazards of market forces and "private justice." In all cases, it becomes increasingly difficult to differentiate between public and private institutions, the State and the Civil Society. Even the most "sacred and hallowed" of State interests become subject to contestation and restriction; even the most "rational and efficient" of market forces are tempered by negotiation and regulation.

I am aware that the above picture may be overdrawn. The use of violence to resolve disputes between states may be unthinkable within Western Europe (and may even be extending further east as the result of recent regime transformations), but that is hardly the case elsewhere. Real-existing states do still have armies and spend enormous amounts in defense of their national security -- even and especially within Europe. There are still chief executives with considerable power to impose their will, and sovereignty is still frequently defended and asserted in interstate relations. Most political units do have distinct and exclusive territorial boundaries and a centralized body which attempts to regulate the movement of goods, capital and persons within them. Most individual citizens continue to concede a special legitimacy to national political institutions and can still manage to differentiate between the public and private exercise of power. Not all policies are subjected to interminable negotiation and not all state interests are constantly challenged. "When push comes to shove," the one who controls the troops (whether the sovereign or not) will usually be able to impose his/her/its solution.

Admittedly, this "ideal-typical" distinction between the Hobbesian and the Post-Hobbesian condition has been drawn for maximum contrast; nevertheless, I submit that anyone studying the evolution of politics in advanced industrial societies in the post-World War II period could not fail to observe the sea-change from the former toward the latter --

even if the latter is still far from replacing the former completely. For this reason alone, it is misleading to advocate “bringing the State back in” for the analysis of contemporary political processes.<sup>15</sup> What is needed is to tackle the more difficult task of imagining what forms of political domination are replacing the State and how they may be legitimating and consolidating themselves in the future.

The EC is likely to be an extreme case of Post-Hobbesianism for two obvious reasons:

(1) Of the two models of state-building proposed by Charles Tilly, the EC is clearly the product of agreement among several existing states, not the outcome of dynastic expansion or military conquest by a single state.<sup>16</sup> This places it in a broad category that began with the buffer states of Belgium and Uruguay, and culminated with the internationally negotiated decolonizations of Zimbabwe and Namibia. This vice d’origine implies that, from the start, public authority will be divided and sovereignty will be shared. As newcomers, the rulers of these polities have had less choice about the space they can occupy, the institutions they can adopt or the role they can play in the interstate system. Negotiation not only determines their existence, but conditions their persistence -- unless, of course, the subsequent course of domestic or international struggle eliminates contenders and leaves a greater legacy of stateness.

(2) The founders of the EC, working in the aftermath of an unsuccessful attempt to develop a European Defense Community, explicitly chose a “functionalist strategy” by concentrating on reaching initial agreement exclusively on economic matters. They may have calculated that “spill-overs” would eventually extend its authority into social, political and even security issues, but they were cautious and patient in these regards. Moreover, they were immensely helped in this self-conscious effort to build a polity without its Hobbesian core by the simultaneous presence of an overlapping but distinct organization that dealt with these issues in a concerted fashion: the North Atlantic Treaty Organization. When the need for collective action on military security arose, it could be shunted off to NATO, or at least discussed within the more exclusively European forum of the Western European Union.



## THE CONDITIONS FOR POST-HOBBSIAN ORDER

Admittedly, this combination of “founding conditions” is distinctive, virtually unique, to the European Community, but my more ambitious claim is that the contemporary context systematically favors the transformation of states into either confederatii, condominiumii or federatii in a variety of settings. We have long been accustomed to the notion that certain “developmental” conditions: urbanization, occupational specialization, industrialization, rationalization of social relations, etc. were bound to lead, via centralization and bureaucratization, to an increase in the scale of social, economic and political organization.<sup>17</sup> From that evolutionary perspective, it was easy to slip into the supposition that the EC “must” become a larger version of what we already have, i.e. a super-state.<sup>18</sup>

But what if the contemporary period is one of transformation -- not development -- in which the future cannot be read as a linear extrapolation of the past? What if a number of simultaneous and, to a degree, independent processes were interacting via crises to produce, not just a “turbulent environment,” but a qualitatively different outcome in the advanced “post-industrial” societies of Western Europe, North America and Northeast Asia? And what if these changes were converging to alter the basic configuration of political units, and their power/role in the systems they compose? If so, the EC -- even with its special “birthmarks” -- might not be so peculiar.

Let us begin our speculation with changes in the system of international exchanges. Three general conditions seem to be of particular relevance: (1) the emergence of complex interdependence and ‘embedded liberalism’; (2) the growing role of transnational firms and ‘strategic alliances’, (3) the discovery and diffusion of new technologies of production, distribution and communication. Together, they produce and sustain an unusually diverse array of international organizations, non-governmental organizations, international ‘regimes’ for specific commodities and issues and, of course, multi-national corporations. Many of these are “diplomatic” in nature, and merely serve to prop up the basic state-centric structure of sovereignty, but others provide new sites with opportunities and autonomies of action that are beyond the reach of nationally-based authorities. Around these sites emerge non-state systems of authority which find a variety of institutional forms.

The second set of conditions involve changes in the system of interstate security: (1) the nuclear stalemate, the first signs of arms control and, more recently, evidence of actual reduction in force levels and weaponry; (2) the end of polarized confrontation between the super-powers and ‘cold war’ tension; (3) an enhanced role for regionally-based security systems. These strike at the domain of “stateness” par excellence. The security imperative is losing its hegemonic structure and capability to subordinate other calculations to its logic. Alliance commitments are loosening; new cross-cutting arrangements seem possible; expenditure changes may be in the offing; very definition of what constitutes security is shifting from protection against a military-based threat

to physical existence to protection against an economy-based threat to well-being. What counts increasingly is not territorial possession, but market share -- not the technology of violence, but that of competitiveness.

Finally, there are a “package” of changes in the nature of domestic civil society: (1) the impact of protracted liberal freedoms and spreading political democracy; (2) progressive diversification of the bases for interest and identity formation; (3) the growth of state functions and their dependence upon group collaboration for purposes of implementation; (4) the formation of transnational interest networks at both the regional and global levels. The net effect of these is to diminish the governing capacity of the state by limiting the applicability or the effectiveness of its resort to coercion. Either this is limited by entrenched civil rights, accountabilities to specialized publics, and resistance by specific movements, or it is rendered unfeasible without the voluntary consent or collective compliance of affected groups. Sub-state organizations -- territorial and functional -- have been strengthened vis-à-vis state agencies; transnational networks act increasingly independently of state control.

“States (with governments as agents) are still the principle actors, but they are more constrained and out-flanked by a myriad of non-state actors.”<sup>19</sup> One could go further, especially in the crowded and pacified region of Western Europe, to speculate that the convergence of these three trends (themselves composed of a variety of sub-trends) has irrevocably undermined the legitimacy and capacity of the nation-state, obscured the historic distinctions between public and private, domestic and foreign, “high” and “low” politics, and made it difficult even to discern when the state is acting in a distinctive and discretionary way -- least of all, when it is doing so independently from other states in the region. There are exceptions -- the British action in the Falklands comes to mind, as does the Swedish devaluation of 1982 -- but they are just that: exceptions. More salient as an example was Francois Mitterrand's attempt to use the power of the French state to pursue a distinctive macro-economic policy in 1981-83. The fact that he could do so demonstrates that national stateness and sovereignty are not moribund (and that the EC was not yet a superstate that could prevent such independent action), but the fact that the experiment was such a failure clearly showed the dangers of “going it alone” in such an interdependent and cosmopolitan system.

My conclusion is that the modern state is -- finally -- being undermined and overreached. The “shifting structures of world politics” (and of world economics) have not “increased reliance on the state.”<sup>20</sup> They have burrowed beneath it to forge alliances and attachments with sub-state actors and they have arched over it to create new networks for decision-making and systems for production and distribution.<sup>21</sup> What is supplementing and even replacing the old state system based on

hierarchical command within each unit (at least, in foreign affairs) and normative anarchy across them (at least, in principle) are new forms of order based on continuous negotiation, tacit consent, shifting arrangements, overlapping compétences, diffuse authorizations and cooperative ventures that effectively obfuscates previous distinctions between levels of aggregation. However, the existence of this system has not yet succeeded in changing perceptions at the level of collective identification in mass publics, and it still seems incapable of convincing academics to revise their traditional concepts and categories of analysis -- not even such manifestly out-moded ones as the distinction between “comparative politics” and “international relations” in my own discipline.<sup>22</sup>

Since the EC is currently the most advanced exemplar of “post-Hobbesian politics,” let us return to it in an effort to discern how the effort to meet its self-imposed deadline of 31 December 1992 may be affecting its movement toward confederation, condominio or federatio. Even if the circumstances under which it emerged were unique, its present evolution may still provide some lessons of general relevance for other regions or for “global politics.”

### **CONDITIONS FOR POST-HOBBSIAN ORDER IN EUROPE**

A series of factors convinced the heads of European states and other leading politicians in the Community to take the unprecedented risk of “completing the internal market” within a relatively short period of time: fear of technological decline and reduced competitiveness vis-à-vis Japan and the United States; gradual deterioration in terms of trade; low growth rates; persistent high unemployment; just plain desire to shake off the specter of Euro-pessimism. In the past, such motives had often lead to the adoption of protectionist and interventionist measures. On this occasion, it triggered the unexpected response of a commitment to dismantling all barriers to the flow of persons, goods and services among the twelve members -- without, at least so far, raising them against outsiders. The initial decision, coupled with a significant change in the Community’s decision rules, passed virtually unnoticed by the general public. Once the magnitude of the commitment became better known and its radical implications clearer, the response has been astonishingly favorable, although rumbles of resistance from affected groups are beginning to emerge and skepticism about its eventual success is growing.

The lifting of long-established barriers of this magnitude (and with this rapidity) will certainly require a functioning political process of some sort to make supplementary decisions, monitor performance, make sidepayments to losers, bring defectors into line and negotiate with outsiders. To a degree, existing EC institutions may be adequate for some of these tasks (for example, they have responded with astonishing alacrity to the challenge of drafting the necessary Directives),

but it seems safe to assume that they will have to change considerably in the process of reaching and applying the 1992 decisions.

The fulfillment of the 1992 commitments and its possible spill-overs into related policy areas will involve a sequence of critical choices -- with the easiest being taken first. Depending on which alternative is selected, the probabilities for subsequent institutional development will be significantly altered. The depiction of "path developments" in Figure Two (see next page) is obviously a radical simplification, both because many decisions are taken more-or-less simultaneously and because many of these are likely to result in compromises that are difficult to code according to its dichotomous or trichotomous categories.

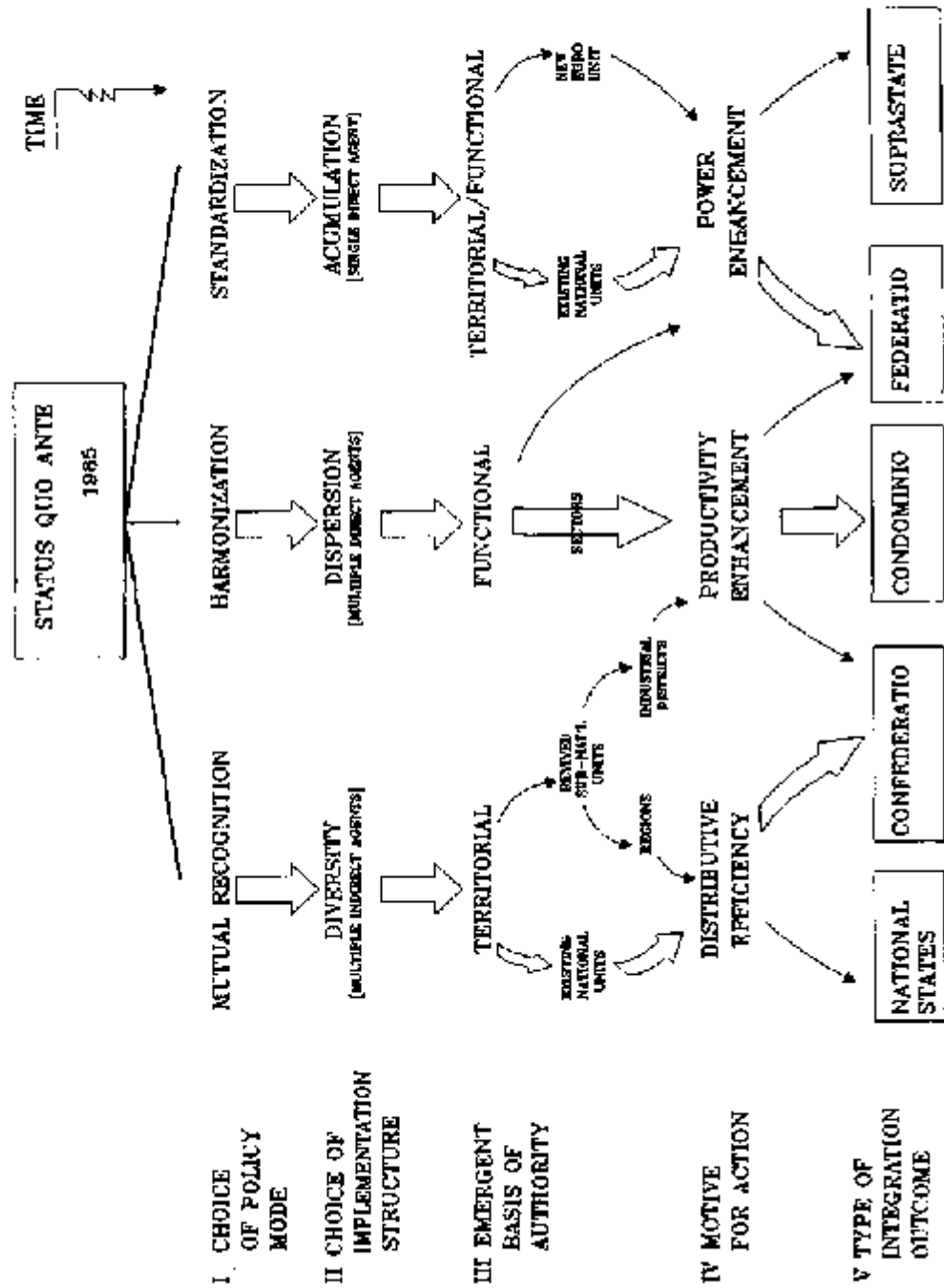
The "forked" structure of Figure Two hopefully can provide a map for what would otherwise be a very difficult pattern to interpret. The first range of choices on any given directive would involve whether to let the matter remain at the national level by applying the criteria of mutual recognition. This would allow each state to set its own norms and have them accepted by the other EC members. If this option is rejected -- for example, because it would lead to unacceptable competitive advantage for the least regulated actors or trigger a mutually destructive round of "competitive legislation" -- the alternatives would be either standardization under which uniform norms would be applied throughout the Community or harmonization under which minimum (and, perhaps, maximum) criteria would be established, but national actors be allowed some discretion about where to position themselves on a particular issue.

Following the initial path of mutual recognition would lead to the protection of national diversity and, most probably, reinforce the development of territorially-based authority within existing national units, although the possibility exists that they might be shifted toward sub-national ones such as regions or provinces. Taking the converse path of standardization would increase the likelihood of accumulation within a single, supra-national authority, i.e. the Eurocracy in Bruxelles, and eventually lead to a more functionally-based set of authorities. Harmonization in this scheme offers the possibility of taking an intermediate path. It leads in most cases to the dispersion of competences across a multitude of regional institutions, each with different tasks and even memberships. Its emergent basis of authority should involve a mix of functional and territorial principles, although the lateral arrows suggest that it could lead to "purer" forms.

Depending on which of these three initial paths is taken, the momentum and direction of the integration process could be quite distinctive. Even its motivation or logic could be affected. Choosing standardization/accumulation/functional base of authority leads to a heavy reliance upon power calculations, not the least of which involves the class balance between parties and

# FIGURE TWO

POSSIBLE PATHS TO DIFFERENT OUTCOMES IN THE 1992 PROCESS



associations representing capital and labor. If successful across a sufficient number of EC directives, it would produce in the long run the closest approximation to the centralized “supra-state” or a strong federatio at the European level -- hence, its tendency to be preferred by Social Democratic forces. Choosing the obverse path of mutual recognition/diversity/territorially-based authority would privilege the criteria of distributive efficiency. Its outcome would either be a continuation of the existing national state system or a weak confederatio, which explains why neo-liberals are its strongest supporters.

As usual, it is the middle road, that of harmonization/dispersion/mixed authority that is the most difficult to discern. Its logic should focus attention and allocative effort on the issue of the longer-term enhancement of productivity, rather than shorter term responses to the perceived balance of class forces or the expected maximization of profits. The more-or-less continuous bargaining among sectoral interests that characterizes this sequence tends to push the outcome toward what we have called above, the condominio. However, arrangements with national or sub-national authorities could produce a more confederal result or deals with Eurocrats could lead toward federalism. The middle road does not enjoy the same level of partisan or ideological support as the other two, but given the general propensity for compromise within EC institutions it may end up being the most likely one to be taken.

## STANDING TRAITS OF THE EUROPEAN COMMUNITY

The national state that emerged as the dominant political form within Western Europe (and was subsequently diffused elsewhere) possessed certain distinctive traits. By examining them, we may get a clearer idea of how different the EC is as an emergent polity:

(1) Sovereignty: The EC lacks a singular locus of supreme authority. Certain of its actions, especially those of the European Court of Justice, can override specific laws and practices of its member states on the grounds that they contravene either provisions of the Treaty of Rome or subsequent EC “legislation.” However, the general mode is negotiation with nominally sovereign members and “concomitant agreement” among levels of authority. The supreme expression of this has been the unanimity rule for all Council of Ministers decisions (via the Luxembourg Agreement in violation of the Treaty of Rome provisions which called for the progressive introduction of weighted majority voting according to issue areas). The Single European Act of 1985 modifies the previous standing practice, but a significant loophole allows a unit veto if the item is declared “of vital interest.” So far, the passage of directives has proceeded almost without dissenting votes, so the new “semi-sovereign” formula has not yet been openly tested.

The EC also lacks another, informal, element of sovereignty: a hegemonic actor or political force ultimately responsible for making and enforcing decisions binding on all. Instead of the imperial format of a single dominant power to which all others dyadically respond and can be held accountable, the EC had at best a duopoly in which agreement between France and West Germany was the sine qua non for taking significant Community actions. Enlargement has altered this formula somewhat, although Great Britain has not succeeded in transforming it into a triopoly. Theoretically, it is now possible to pass directives even in the face of disagreement by France or West Germany -- not to mention Great Britain, Italy or one of the smaller members. This was recently tested when eleven members decided to move ahead on "the Social Dimension" despite the dissenting vote of Margaret Thatcher. Normally, the Commission seems to go to great lengths to produce compromises on contentious items such as withholding on financial payments, eventual monetary union, etc. where one member has expressed strong opposition.

Finally, in one regard, the EC has almost acquired the full-trappings of sovereignty. Some 130 states and international institutions have recognized it and entered into diplomatic relations with Bruxelles. The recent naming of an ambassador from the Soviet Union (after years of calculated refusal on its part) signals the crossing of a major threshold. About all that remains is for the EC to become a regular member of the United Nations (I believe it already is accredited as an observer). The recent signing of an agreement between the EC and COMECON, and subsequent discussion of a treaty-like arrangement between the EC and EFTA opens up the novel possibility of inter-bloc diplomacy. Meanwhile, the President of the Commission attends various meetings of heads of state and is accorded equivalent honors (something, if I remember correctly, De Gaulle objected to strenuously). Despite his symbolic presence in the midst of such gatherings, one would be hard pressed to describe him realistically as "the Sovereign of Europe," especially in the absence of any direct control over the means of coercion.

(2) Monopoly of Coercion: Despite Galtung's prediction of an EC equipped with its own army and police force -- not to mention, storm troopers -- in order to hold off the anticipated assault of radicalized students and workers alienated by its exploitive practices,<sup>23</sup> the Community institutions are singularly devoid of any concentrated means for wielding violence, legitimate or not. So far, nothing in the 1992 package suggests that this capacity is on the way, although one can imagine scenarios that could lead in this direction.

The most important trait of the EC with regard to policy implementation has been its reliance upon indirect agents. National state institutions are responsible for monitoring compliance and eventually punishing transgressors. Even in those cases where a state agency or private actor is

found to have violated a Community norm by the European Court, the decision is “handed over” to the coercive apparatus of the relevant member state for enforcement. It is notorious that member states differ widely in their capacity and willingness to comply; moreover, there have been repeated allegations of outright fraud (especially with regard to agricultural subsidies and fishing quotas).

[Ironically, there seems to be a negative correlation between a country’s level of agreement with Community norms and its willingness to enforce them. The British who have been adverse on a number of issues, nevertheless, seem to apply the resulting norms to the letter. The Italians generally go along with whatever most countries are pushing and, subsequently, are very lax in enforcing those provisions that might harm their interests].

As the scope of EC policies begins to affect ever more sensitive issues of ministerial authority and sectoral-professional privilege, this matter of “non-compliance” could become an acute issue that might lead to an appeal to establish some centralized Community-based monitoring and policing power. The same could occur with the dismantling of physical border controls. This raises the possibility of the need for random or purposive controls within national boundaries in order to suppress tax fraud, the movement of dangerous persons, etc. Existing national differences in resources and administrative capacity for enforcement could be handled through EC subsidies and training programs, but where the non-compliance stems from an unwillingness to act or local corruption, one can imagine pressure for the creation of European-level authorities tied to the EC.

Historically, the most salient aspect of stateness in this domain has been the existence of national armed forces with independent command structures and capabilities. As mentioned above, the EC after the failure of the EDC Treaty has steered clear of this issue, and there are no ostensible elements in the 1992 package that would seem to change that. Of course, NATO commitments have already cut quite substantially into national sovereignty for most EC members (not to mention the special case of West Germany which does not even control the use of its national territory for military purposes). When Europeans have felt compelled to speak entre nous about military security, they have utilized the framework of the WEU, not the EC. So far, talk of “folding” the WEU within the Community and creating a distinctive European security capacity has produced only one result -- to raise the hostility of the United States and its more “Atlanticist” allies to the prospect.

There is one possible connection between 1992 and security issues and that concerns the commitment to eliminating barriers in public procurement. If that is extended to cover weapons and other military-related supplies, then one could anticipate quite substantial changes in the scale of their production, along with the elimination of overcapacity. Greater standardization would also be a likely outcome. Both of these could not help but rebound upon strategic planning in the region



and eventual deployment. One could even imagine the emergence of some new forms of “military protectionism” that would discriminate against extra-regional producers. According to one report, the Commission suggested the possibility of imposing a uniform external tariff on weapons - and was quickly and decisively rebuffed.<sup>24</sup>

In the unforeseeable future, there is always the possibility that the completion of the internal market will prove to have been the first step in a gradual process of “disengagement” of Europe from both of the superpower blocs, leading to a collective stance of “armed neutrality” à la Suisse ou Suède. Unlikely as this seems at present, but more probable if the Austrians, Swiss and Swedes, not to mention the Yugoslavs, Hungarians and Poles eventually join the EC and, thereby, strengthen its neutral bloc, such a development would have a transformative impact on EC institutions and push them in the direction of greater “stateness.”

(3) Territoriality: States are based on a fixed territorial division of authority. Two of the most obvious aspects of this are the presence of distinctive central institutions over a demarcated space and the contiguity of that space. One of the most dramatic and visible aspects of 1992 should be the elimination of physical barriers to the circulation of goods, services and persons within a common (and crowded) space that has been divided for centuries. This new freedom to move about is likely to have a substantial impact on how and where Europeans will live, spend their vacations, invest their savings, purchase their goods, make their friends, find their wives and husbands, and so forth. Alone, this notion of breaking through the restricted territoriality of the classic European state system seems to have captured the imagination of the general public and to have made 1992 such a popular project.

With this internal freedom will come demands for greater and more coordinated restrictions on external entry to protect Europe as a whole from “undesirable persons and products”: criminals, terrorists, drugs, illegal immigrants, etc. While there is no evidence in the short-run that this new “territorial imperative” will result in a European Border Police and Customs Service under EC control, it might develop in the long-run due to deficiencies in national capabilities.

The EC has grown in spatial terms from the initial core-area of the Six to the present Twelve -- not, it should be noted, through the usual state-building devices of conquest and marriage, but through negotiation and voluntary agreement. It has never achieved perfect contiguity, with Switzerland and Austria missing in the core. Moreover, its peripheral boundaries have remained

ambiguous. Norway, Sweden, Finland, and Iceland certainly belong to the same “cultural” and “economic” definition of the European space, but have chosen (so far) not to join.<sup>25</sup> Beyond that, the EC is a very diffuse presence. A number of states have association agreements with it, and are candidates for full membership: Malta, Turkey, Cyprus, perhaps even Israel. Still others, the so-called ACP countries, are linked via a special treaty and there are even rumors that some of them (Morocco) may eventually apply to join. Perhaps, the greatest ambiguity, however, lies to the East. The Community has recently concluded a generous agreement with Hungary and indicated a willingness to proceed bilaterally with other Eastern European countries. There are indications of a Drang nach Osten in its longer-term geo-strategic calculations and the prospect of access to such a large integrated market, combined with independent developments within the Soviet Bloc, has produced a quite novel fluidity within the (Central) European space. Indeed, one of the peculiar policy problems of 1992 is how to deter outsiders from seeking entry until its provisions are worked out among the insiders. Another is how to draft the necessary measures without according to associate members the consultation that they are entitled to under their various agreements. Just to illustrate how “porous” the territorial base of the EC is, one has only to refer to the (unprecedented) demand of the United States to have “a seat at the table” when the crucial 1992 provisions are deliberated and drafted. Imagine the response if the EC had demanded a voice in the recent US trade legislation or the negotiations concerning the Canada-US Free Trade Area!

As we noted above, the EC is not directly present with institutions under its exclusive control throughout “its” territory. It relies on the established presence of the national state apparatus of its twelve members. Recently, there are signs of increasing contact with and reliance upon sub-national units within these countries. The resulting unevenness in implementation is a continuing problem (although it has been a hidden factor in helping standardized policies adjust to disparate circumstances). Eventually, it may prove necessary to introduce some elements of more direct control.

(4) Formally Centralized Structure of Offices: The EC has no definite hierarchy of offices with a clear predominance of some central authority. Like most quasi-federalist systems, there is a great deal of formal separation of offices and overlap in competences. The whole system has the Council of Ministers nominally at its head, but the Commission has exclusive power to initiate new measures. The Single European Act modified and expanded the role of the European Parliament, but it remains far from being the region's central guiding institution. Since the Commission is in charge of drafting the specific directives that will (or will not) make 1992 a reality, it has acquired at least a temporary centrality within the policy process. Nevertheless, if one is judge by the experience to date, it will exercise this role cautiously, with great respect for the plurality and

autonomy of power centers -- territorial and functional. What seems firmly entrenched is an informal network of horizontal interactions and continuous negotiation among actors at several levels, each with his/her independent basis of power. As the "harder nuts" of the 1992 program are cracked, national civil servants and their sectoral clienteles are bound to lose power, if only because the protected environments in which they have been accustomed to operating will be exposed to outside pressures. To the extent that the resultant Community policies effectively "deregulate" these issue areas, there is no reason to expect the central institutions of Bruxelles to gain a corresponding measure of authority. Power would be dispersed through the action of markets or, in the case of oligopolies, devolved upon European-scale firms. If, however, these competitive pressures are too much for producers to stand and/or if the impact of mergers and restructurings become too much for workers to put up with, then, the likely response is some re-regulation -- sector-by-sector -- at the European level. In the latter case, the Eurocracy could emerge with considerably enhanced authority, even if it would be dispersed along functional lines -- much as has been the (unfortunate) case of the Common Agricultural Policy.

(5) Control over the Movement of Goods and Persons: The ostensible purpose of 1992 is to remove, not impose, controls over the movement of goods and persons. If followed strictly, it would result in a considerable dismantling of existing state power in Western Europe, primarily at the national level, without a concomitant increase in Community institutions. The ingenious formula adapted for this purpose came out of the jurisprudence of the European Court. Its decision in 1975 in the Crème de Cassis case established the principle of "mutual recognition," namely, that if some good or service was legal in one member country, it should be admissible in trade in all member country -- unless it contravened some specific piece of national legislation concerning health, safety, morals, etc. Generalizing this through the 1992 package to cover professional titles, as well as material goods and immaterial services, represented a substantial breakthrough. Heretofore, the Community strategy had focused on "harmonization" as the route to integration. This not only involved the EC in excruciatingly lengthy and dull negotiations for each product, service and profession, but also implied an important subsequent role for the Eurocracy in monitoring and enforcing the new common norms. Fear that the process of harmonization could lead to the elimination of national institutional peculiarities and the enlargement of a central bureaucracy was one of the reasons why some countries strongly resisted spill-overs into this domain.

Mutual recognition, however appealing for its simplicity in the abstract, may prove difficult to apply in concrete cases. It has the effect of placing into direct competition well-entrenched national regimes with their favored industries and protected professions. Some of these are

manifestly exploitive and their disappearance will be mourned only by a privileged few. Others, however, are cooperative arrangements for such matters as industrial relations, vocational training, quality control, product standardization, joint marketing, pooled research and development, services and licensing by chambers and business associations, etc. that are essential components of effective national competitiveness and peaceful class relations. Placing them in an unrestricted market situation where the immediate advantage may lie with firms and countries that are not compelled to produce such public goods could have a devastating long-term effect. The German government (where many of these arrangements have been developed through business association-trade union cooperation and extensive use of private interest governments) has already coined a term for this danger: “social dumping.” If the EC responds to such complaints by negotiating minimum standards of behavior in labor markets and company law, then it could find itself back in the “state business” of controlling the circulation of goods, services and persons within its territory.

(6) The Capital Accumulation Function: Whether seen from the point of view of its interlocutors or that of its beneficiaries, the EC has always been particularly “attentive” (not to say, beholden) to business interests. Describing it as a “Europe des Affaires” is no exaggeration. Part of the inspiration for the 1992 project seems to have been generated by a group of chief executives from large enterprises and its overt rationale is to improve the competitive performance of European capitalism and, hence, its accumulation capacity. The class bias is so severe that one wonders whether EC doesn’t really stand for “Executive Committee for managing the general affairs of the Bourgeoisie”!<sup>26</sup>

This is hardly surprising (and not even scandalous) in this epoch of renewed faith in markets and entrepreneurial virtue. No one can seriously question the devotion of the Community to the protection and promotion of European capitalism. However, for the true zealots of neo-Liberalism, the EC is still regarded with deep suspicion as the breeding ground par excellence for “red tape, bureaucracy, supranational intervention and protectionism.”<sup>27</sup> They (legitimately) fear that, on the basis of past proclivities, the Eurocrats will seek to expand their role via re-regulation under Community auspices, rather than be content to sit back and watch an irrevocable, across-the-board dismantlement of state regulatory capacity at the national level.

All this is simply a reminder that, having identified the functional imperative that couples the modern state (and the regional dominion) to the performance of capitalism, does not necessarily identify the specific policies that that political unit must employ to carry out its assigned task. First, there are important divergences of interest among capitalists according to size of enterprise,

particular sectoral features, position in the product cycle, geographical location, mix of productive factors, degree of vulnerability to competition, and so forth that make it exceedingly difficult for authorities to gauge what it is that capitalists want. Second, the functionalist logic of this approach demands that authorities be responsive to the needs of capitalism as a system of production, not to the preferences of individual capitalists. The EC presently seems stuck between the instrumental and the functional role -- and the 1992 process could still move it in either direction. On paper and in principle, it should go with the latter. On the basis of institutional self-interest and established practice, one suspects that the Commission and the Bruxelles administration will prove attentive to the special interests of specific sectors and even particular firms -- when they are firmly backed by their respective national authorities. Moreover, an indiscriminate liberalization, while it might be beneficial for aggregate capital accumulation in the longer-run, would force a major re-structuring of manufacturing and, especially, service industries in the shorter-run --with serious implications for employment, wages, trade union power, class relations, regional disparities and "social peace" more broadly conceived. The prospect of this has already encouraged the Commission to pay at least lip-service to its second "state function": that of legitimation.

(10) The Legitimation Function: The Common Market (as it used to be called) was never particularly popular. Most European citizens were only vaguely aware of its existence,<sup>28</sup> and those who were did not seem to lodge great expectations in it. The formidable (if small) Bruxelles bureaucracy, the privileged connection with business and the obscure nature of most of its deliberations inhibited such thoughts.

However, since the announcement of the 1992 Project, the EC has been thrust into the public eye. Its imagination has clearly been captured by the prospect of barrier-free personal movement throughout the region. This opens up for the first time the prospect of a more direct relation between its institutions and the citizenry and that, in turn, provides it with an opportunity to build an independent power base for legitimizing its policy initiatives.<sup>29</sup> With the shift in attention, there is every expectation that the exercise of voice -- through social movements as well as interest associations -- will be directed towards Bruxelles. Moreover, if the indirect impact upon sectoral arrangements and regional distributions is as substantial (and uneven) as predicted, there will be a lot to talk about!

The EC is singularly unequipped to deal with such pressures. Its apparatus has long ago developed an elaborate corporatist system for dealing with nationally and regionally organized industrial and agricultural interests, but labor organizations have been largely absent and nothing

is in place to deal with the likely influx of “causes”: environmental, feminist, ethnic, etc. Most importantly, the EC hasn’t the financial means to satisfy directly many of these demands. Almost 80% of its budget was absorbed by the payment of agricultural subsidies, with very little left over for the provision of services or the payment of compensations. The really “rewarding” potentialities of the welfare state for building loyalties remain firmly entrenched in its national member bureaucracies. Other than improvements in public relations (which are very much in evidence), about all the EC can do is to concentrate on two strategies to build its visibility and, eventually, legitimacy:

(1) To compensate for the expected increase in territorial disparities within the Community due to liberalization by redistributing funds through the Social Fund and the European Investment Bank to lesser developed regions. At its Hannover summit meeting, the European Council agreed to double the amount of these funds. According to one estimate, this could produce a North-South flow of funds of an order of magnitude roughly equivalent to the Marshall Plan for the reconstruction of postwar Europe -- varying between 1.5 and 5.0% of GNP for the priority beneficiaries.<sup>30</sup> What is particularly intriguing about these flows is that they may do directly to sub-national units of governance in the receiving countries, thereby, creating a significant nexus that effectively bypasses the national level.<sup>31</sup>

(2) To compensate for the obvious class bias toward business in representation and attention by creating a “social dimension” to 1992. Although still vague (and already subject to polemic reaction by neo-Liberals), this might involve the elaboration of binding European norms protecting working conditions, health and safety measures, welfare payments, employment guarantees and active labor market policies at the level of current “best practice,” rather than leave such disparate matters to competitive pressures and, eventually, the “lowest common denominator.” One cornerstone of this edifice would be uniform provisions in company law that would assure union recognition and worker representation in management.<sup>32</sup>

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The European Community is a polity in formation. It offers to political scientists a virtually unique opportunity to observe, record, analyze and explain the emergence of properties that have long since been routinized and sacralized at the level of national states. However, the task will not be easy. Existing theories about regional integration are not going to be of much help. The Single European Act was (deliberately) hermetic on the subject of the future configuration of Community institutions, and the current process of drafting and ratifying the 279 or so directives

embodied in that commitment is still incomplete, with some of the heaviest policy matters yet to be resolved. Moreover, subsequent changes in Eastern Europe and the Soviet Union, coupled with the even more unexpected unification of Germany, have radically shifted the parameters of choice. It is one thing not to know what issues will be effectively handled by the EC; it is quite another not to know even what countries will be involved in the negotiations!

If this essay has one message, it is that the eventual European Community will be a unique form of political domination. It may resemble some existing polities: the United States, the Federal Republic, Switzerland, Canada, Spain, etc., and it may be described in terms that could sound familiar: federal, confederal, technocratic, democratic, corporatist, pluralist, and so forth, but it will be different. If these speculations have any value, it will be in their capacity to stimulate thinking about what the alternative outcomes might be and how policy choices made between now and December 31, 1992 could (perhaps inadvertently) determine which of them will emerge.

## ENDNOTES

1. In order to avoid confusion with existing polities and to stress the generic nature of the respective types, I have chosen to give "Latinate" labels to the three intermediate categories. This also has the advantage of evading the translation problem, much as the Swiss do when they wish to avoid the hassle (and expense) of using each of their four official languages refer to their country as the Confederatio Helvetica.
2. "Die Politikverflechtungs-Palle: Europäische Integration und deutscher Föderalismus im Vergleich", Politische Vierteljahresschrift, 26 (1985), pp. 323-356.
3. For example, Jean Monnet urged his followers in the Comité d'Action pour les Etats-Unis d'Europe to go along with De Gaulle's vague notions of a European Confederation because "Je ne doute pas, pour ma part, qu'une confédération mènera un jour à une fédération". Mémoires (Paris: Fayard, 1976), p. 649.
4. In the jargon of Bruxelles, this decisional style seems to be known as "comitology". Cf. J. Peikmans and A. Winters, Europe's Domestic Market (London: Routledge, Kegan Paul, 1988). For an extended theoretical discussion of decision-making by committee rather than by majority rule, see G. Sartori, The Theory of Democracy Revisited, Part One (Chatham, N.J.: Chatham House, 1987), pp. 214-238.
5. See my article, "Democratic Theory and Neo-Corporatist Practice", Social Research, 50,4 (Winter 1983), pp. 885-928.
6. The Limits of European Integration (London: Croom Helm, 1983).
7. The "Estado de las Autonomías" in Spain has broken new ground in this regard. Normally, in federal systems all the subunits enjoy the same rights and are expected to meet the same obligations. In contemporary Spain, each has negotiated a different arrangement with the central government. The "historic regions" of Catalonia, Galicia and the Basque Country have considerably more autonomy than do those regions without a distinctive language, culture or tradition.
8. For a discussion of Monnet's peculiar mix of functionalism and federalism, see Michael Burgess, Federalism and European Union (London: Routledge, 1989), pp. 43-63.
9. See the locus classicus, Robert Lafont, La révolution régionaliste (Paris: Gallimard, 1967) for the argument within France and Riccardo Petrella, La renaissance des cultures regionales en Europe (Paris: Editions Entente, 1978); Georges Pierret, Vivre L'Europe ... Autrement. Les régions entrent en scene (Paris: Jean Picollec, 1984); Jean-Pierre Raffarin, 92 Europe: Nous sommes tous des régionaux (Poitiers: Projets Editions, 1988) for similar arguments at the European level.
10. Fritz Scharpf, op. cit. (fn. 2).
11. The recent experience of the expansion of the Federal Republic of Germany to include the former German Democratic Republic through the simple expedient of



Article 23 is an exception to this rule -- but not one likely to be tolerated or repeated in the future. The immense difficulties of the Baltic Republics to leave the Soviet Union (despite a constitutional clause that explicitly permits it) is much more a case-in-point.

12. Cf. Carl J. Friedrich, Trends of Federalism in Theory and Practice (New York: Praeger, 1968); also W.H. Riker, "Federalism" in F. Greenstein and N. Polsby (eds.), Handbook of Political Science, Vol. 5 (London: Addison-Wesley, 1975), pp.93-172.
13. Cf. the literature on "cooperative federalism" and "Politikverflechtung": F. Scharpf et al., Politik-verflechtung. Theorie und Empirie des kooperativen Föderalismus in der Bundesrepublik (Kronberg: Scriptor, 1976); F. Ermacora, Der Österreichische Föderalismus. Von Patrimonialen zum kooperativen Bundesstaat (Innsbruck, 1976); U. Hafelin, "Der kooperative Föderalismus in der Schweiz", Referate und Mitteilungen des Schweizerischen Juristen-vereins, vol.II (1969); Gerhard Lehmann, Proporz-demokratie (Tübingen: J.C.B. Mohr, 1967). Also the résumé in Peter Katzenstein, Policy and Politics in West Germany (Philadelphia: Temple University Press, 1987), pp. 45-58.
14. Or, if there is someone or some office with this formal status or title, the role is purely symbolic. The nominal chief executive is either reduced to the status of a decorative constitutional monarch or plays the role of a primus inter pares negotiator.
15. Which is not to say that it may be quite necessary for the analysis of earlier time periods or other geographical areas. Its occasional "re-invocation" may also be useful, if only to provide dramatic contrast with what has gone on in recent decades. What I find a utter waste of time is to advocate "bringing the State back in" and, then, to turn around in the next sentence and redefine the concept so that it bears little or no relation to its historical meaning by depriving it of its notions of sovereignty, unity of action, centrality of experience, and so forth.
16. Charles Tilly, "War and the Power of Warrmakers in Western Europe and Elsewhere, 1600-1980", in P. Wallenstein (ed.), Global Militarization (Boulder: Westview Press, 1985).
17. For a critical view of this assumption applied to a variety of social, economic and political organizations, see the forthcoming volume, sponsored by the Joint Committee on European Studies of the ACLS/SSRC and edited by myself, on Experimenting With Scale.
18. Nowhere is this assumption more blatant than in Johan Galtung, The European Community: Superpower in the Making (Oslo: Universitetsforlaget, 1973). While it is easy in retrospect to dismiss this book as a pièce de circonstance written to discourage Norwegian entry into the EC, I have found rereading it as quite useful foil to my own approach.
19. Ernst B. Haas, "What is Progress in the Study of International Organization" , University of California, Berkeley, mimeo, n.d., p. 2.

20. Pace Theda Skocpol and the enthusiasts for "bringing the state back in".
21. Perhaps, this notion of movement beneath and beyond the nation-state will help clarify one of the most intriguing puzzles of the European integration process, namely, the simultaneity of trends toward the mobilization of sub-national, territorially-based passions and toward the satisfaction of supra-national, functionally-based interests. Their temporal coincidence could be accidental or spurious, but I suspect that the connection is at least functional, if not intentional. Processes which place the locus of decision-making even further from the domain of the individual and small groups and which threaten them with even more standardized treatment are likely to engender resistance and demands for greater autonomy -- which so far have been largely focused on the nation-state that was previously responsible for these issues and that is, in any case, easier to reach with protest activity. Inversely, supra-national actors may find it advantageous to combine with sub-national ones, precisely to avoid the rigidities of well-entrenched national institutions.
22. Since writing this, I have come across a recent article by James Rosenau, "Patterned Chaos in Global Life: Structure and Process in the Two Worlds of World Politics", International Political Science Review, Vol. 9, No. 4 (October 1988), pp. 327-365, which advances arguments quite similar to mine. In the final revision of this essay, I will incorporate several of this points about "a multi-centric world of diverse, relatively equal actors ... (with) an autonomy dilemma ... as its driving force ... (p. 329).
23. Johan Galtung, The European Community: A Superpower in the Making (Oslo: Universitetsforlaget, 1973).
24. Cf. David White, "Europe may open up single arms market", Financial Times, 9 November 1988. Also David Buchan, "West Europeans are inching towards a common market in arms", Financial Times, 15 April 1988. But also see Charles Leadbeater, "A bemused defence industry foresees European integration", Financial Times, 28 February 1990.
25. Austria and Sweden have recently declared their intention of joining, with Norway hesitating in the wings. Switzerland, Iceland and Finland have, at best, indicated an interest in participating collectively with their EFTA partners in an enlarged European Economic Space. Negotiations concerning this proposal have stalled over issues of both form and substance.
26. Philippe C. Schmitter and Wolfgang Streeck, "Organized Interests and the Europe of 1992". paper presented at the conference on "The United States and Europe in the 1990s", American Enterprise Institute, Washington, D.C., 6-8 March 1990.
27. See the speech of Nigel Lawson attacking "plans for a 'protectionist and bureaucratic' Europe", as reported in Financial Times, 26 January 1989. Almost every weak some British Conservative politician is fulminating on this subject.
28. I suspect that many were more familiar with "Eurovision", the cooperative arrangement among national television broadcasters, than with the Common Market.

29. I realize that this implicitly discounts the importance of the convocation of direct elections to the European Parliament in 1985. As far as anyone can tell, this has failed to trigger a shift in attention among mass publics. Rather the contrary, European voters seem to use the occasion of the relatively costless and inconsequential choice of Eurodeputies to send messages of disgruntlement to their national politicians.
30. Michael Emerson, "1992 as Economic News", unpublished paper, Bruxelles, November 1988, p. 10-11. Some of these funds will flow northward to Ireland and some areas of the United Kingdom.
31. This aspect of EC developments is currently the subject of a research project at the European University Institute directed by Robert Leonardi.
32. Margaret Thatcher has already fulminated against this in her Bruges speech in which she warned: "We have not rolled back the frontiers of the state in Britain only to see them reimposed at a European level", Financial Times, 13 October 1988. Samuel Brittan put the point in a slightly different way: "Europe need not be corporatist", ibid.