

The democratic welfare state: a European regime under the strain of European integration

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**Institut für Höhere Studien (IHS), Wien
Institute for Advanced Studies, Vienna**

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No. 68

The Democratic Welfare State
A European Regime Under the Strain
of European Integration

Claus Offe

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Reihe Politikwissenschaft / Political Science Series No. 68

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Abstract

States are organizations of governance that apply to the people living in a defined territory. But in order to sustain such governance, the people must not just individually obey the law, but also collectively conceive of themselves as “We, the People..”, with whom the law originates. For only if I, the individual citizen, have reasons to trust that, they, my fellow citizens, are actually willing to also obey the law, I’ll do so myself. This indispensable sense of belonging to a civic community can be based upon a variety of factors: ethno-cultural, linguistic, civic republican (as in “constitutional patriotism”) or social justice. Applying this notion of an indispensable civic infrastructure to the case of European integration, the author discusses a number of potential sources from which the view might be derived that what happens in Europe is a matter of “us, the Europeans”. In the absence of a democratic regime in Europe, as well as a European welfare state (to say nothing about a strictly “European culture”), it is not easy to find out possible foundations of European “identity”.

Zusammenfassung

Staaten sind nicht nur “vertikale” Organisationen politischer Herrschaft. Vielmehr basiert die staatliche Herrschaftsordnung auf Strukturen der Binnenintegration (“Vergemeinschaftung”), die über alle Konflikte und Besonderheiten hinweg das horizontale Verhältnis der Bürger zueinander bestimmen. Diese Binnenintegration muss nicht “ethnischer”, sondern kann sehr wohl republikanischer Natur sein und dann als sozialintegrative Voraussetzung für Demokratie und Wohlfahrtsstaat dienen. Wenn das zutrifft, stellt sich die Frage nach dem möglichen Modus politischer Integration im europäischen Maßstab. Gibt es Traditionen, Identitäten und Zielbestimmungen (“finalité”), die zwischen allen Europäern Vertrauen und Solidarität begründen können? Der Verfasser prüft die in Betracht kommenden Antworten auf diese Frage und kommt zu dem skeptischen Ergebnis, dass die sozialmoralischen Grundlagen einer europaweiten Demokratie und eines kontinentalen Wohlfahrtsregimes keineswegs evident sind.

Bemerkungen

Hier können allgemeine Bemerkungen eingefügt werden. Falls das nicht gemacht wird, muß hier eine leere Seite stehen (damit das Inhaltsverzeichnis auf einer ungeraden Seite beginnt).

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Everywhere, one reads the same thing: the European Union is a political construct *sui generis* – no (longer) a confederation, not (yet) a federal state, but a “would-be polity”. It is an accurate but not very useful observation. If this definition “by process of elimination” were to have real informative value, it would include a clear accounting of the structural differences that set the EU apart from the more familiar form of political rule, the nation-state. We would then have a tool with which to assess the EU’s functional capabilities, and in particular, its ability to organize society’s exercise of power over itself as legitimately and efficiently as does the nation-state.

Accordingly, the first part of this chapter will be devoted to a consideration of how the internal relations of the EU contrast with those of a nation-state republic. This is followed in the second part by a review of the practical, political motives that have driven the process of integration thus far, and which in turn are shaped by that process. The aim here is an assessment of the EU’s political efficiency. The chapter concludes with an examination of the prospects for the development of a mode of European integration that enhances the EU’s democratic legitimacy. Special attention is paid to the sceptical assumption that, on the way to “Europe”, political resources (understood as society’s ability to exercise control over its own quality and development through the means of governance) will be lost rather than gained.

1. The Internal Relations of a Nation-State Republic

Constitutional states differ from authoritarian and absolutist states in that political power in the former is not only exercised through law, but also established and limited, beforehand, by way of a special law – namely, the constitution. Thus, in a constitutional state, the body through which the state exercises its power is not just an empirical fact or a factual system of interactions, but a formal, judicial fact vested with normative validity. Before the governing agency becomes active and expresses itself in concrete acts, it is already present as a normatively constituted fact, as something that “should-be” – *i.e.*, as a normative description of the governing body’s method of operation, its jurisdiction and the limitations thereon.

The act of establishing a constitution not only sets the modalities and limits of the (future) use of power, but also reflects upon the author of the constitution. The establishment of the constitution must be conceived as an act in which the constituent member, the “people”, forms itself and at the same time submits itself to the constitution. “The full sense of the term constitution implies ... that it can be traced back to an act which the citizens put into place, or which is at least attributed to them, and in which they provide themselves with the political ability to take action”.¹ In this respect, the act of establishing a constitution implies not only

¹ Dieter Grimm, *Braucht Europa eine Verfassung?* (München: Carl Friedrich von Siemens-Stiftung, 1994), p. 31.

that a legal, ordered and limited authority of the state exists, but also that a political community of the “people” exists. This political community is created when a “people” submits itself to a political order of its own invention, in the process gaining an identity both within itself and towards the outside world.

Thus, in the act of establishing a constitution, the “people” ceases to be a mere ethnic fact – *i.e.*, a multitude of persons made distinct through their origin and common culture – and starts to become a *demos* – *i.e.*, understood as the subject-object of a deliberately founded governing body. And yet, between “*ethnos*” (as the embodiment of an exclusive linguistic, religious, cultural, etc. community of origin) and “*demos*” (as the ethnically neutralized instance of the legitimation of state power), there is also continuity. Working as a catalyst, “the national self-image builds the cultural context in which subjects could become politically active citizens. It is only the sense of belonging to a ‘nation’ that establishes an interrelation of solidarity between persons who up to that point had been strangers to one another. ... The nation or the spirit of the people ... supplies the judicially constituted state with a cultural substratum”.²

The foundation of a political community by an act of will is not a chance occurrence. Rather, it is the product of dispositions that Max Weber has characterized as “a belief in commonality” (*Gemeinsamkeitsglauben*) or “feelings of belonging to a community” (*Gemeinsamkeitsgefühle*); these dispositions “are nothing definite and can be fed by very different sources”.³ Despite the vagueness with which Weber outlines this empirical anchor of an act of will imposing set duties, it seems clear that in the case of the nation-state, the things believed or felt to be in common would be of a spatial or temporal nature. In other words, the self-recognition of a people as a *demos* has an empirical frame of reference, which encompasses a (usually undivided) territory settled together and a history understood as “concerning all of us”. It is a fund of positive and negative traditions and historical protagonists, whose appropriation makes up the factual “particularity” of those who reciprocally recognize each other in normative terms as belonging to the same *demos*. Above all, the self-recognition of a people as a *demos* is grounded in the nation’s history, which functions as a reference point for the establishment of a constitution in both positive (as a source of examples and traditions) and negative ways (as is often the case with post-totalitarian constitutions).

The historical-geographic grounding of the societal and governmental contract, which is completed *uno actu* with the establishment of the constitution, not only is a contingent condition for the formation of this two-sided contract, but also may be a necessary condition for its continued existence. The importance of the historical or temporal aspect is

² Jürgen Habermas, *Die Einbeziehung des Anderen: Studien zur politischen Theorie* (Frankfurt: Suhrkamp, 1996), pp. 135, 137.

³ Max Weber, *Wirtschaft und Gesellschaft: Grundriß der verstehenden Soziologie*, 4th edition (Tübingen: Mohr, 1956), pp. 237, 244.

demonstrated by settler societies such as the United States, where citizens' explicit memory of their common descent from far-flung ancestors becomes a basis for strengthening the willingness to practice inter-ethnic tolerance, or by societies where moral catastrophes remembered as part of a national history provide the foundation for the concretization of a constitutional consensus based on civil rights.

The geographic or spatial dimension of the determination of a political community centres on the role well-established (*i.e.*, recognized by both sides) borders play in delineating the state's territory. National borders help integrate the people into the state's constitutional political order by minimizing conflicts over the area in which the order of law is valid as it pertains to individuals; that is, they guard against the emergence of a legal grey zone on the periphery, or a political claim to represent external ethnic minorities. Set territorial borders are also a reference point for the formation of a "people", as the crisis in south-eastern Europe demonstrates. They serve this function by limiting the authority of the state to its spatially determined "area of validity" and preventing it from taking on a political "obligation to care for the welfare of persons" who may be "our" ethnic "brothers and sisters", but are not by virtue of being also our "co-citizens". And, territorial borders are essential for maintaining public welfare within states. They permit the political community to ensure that scarce resources are conserved for internal use and to stave off the intrusion of unwelcome outside influences. Borders are not barriers, but rather filters or membranes, which can be selectively opened from within – for example, to stimulate exports or control the flow of migration. They are the "decision points" at which the balance of positive and negative influx and outflux can be registered and controlled.⁴

Thus, the separate recognition of a common history and its meaning and the shared recognition of a territory and its inhabitants are together the indispensable catalysts for the materialization of a political community. Conversely, sharp "historical-political" polarization is just as decisive a barrier on the way to the formation of a political community (or "republic") as are discrimination against internal minorities or care for the welfare of people outside the borders of the political community.

Geography and history are not the end of the story, however. The political community of a *demos* is also defined by a third dimension – a duly constituted authority of state.⁵ This authority manifests itself by imposing duties on citizens within the limits of basic rights and demanding the fulfilment of these duties within the framework of the state's monopoly on the use of force. In addition to the obligation to obey the law generally, there are three such civic

⁴ A common market, for example, is nothing more than a partial sacrifice of this power to regulate matters within one's borders. Here, the sacrifice is motivated by the economic (e.g., the economies of scale) and political advantages that are expected to accrue from the suspension of internal borders. However, this does not change the fact that political communities are dependent upon territorial borders and empowered to act only in reference to them.

⁵ This is in accordance with Jellinek's well-known formula. Jellinek, Georg, 1900, *Allgemeine Staatslehre*, Berlin: Häring.

duties: compulsory school attendance, compulsory military service (or the duty of professional military personnel to accept risks to life and limb caused by politics), and the obligation to pay taxes. Civic duties entail a loss of freedom for the individual, who must yield this freedom without the certainty that he will earn any benefit in return. In this respect, civic duties are informed by a principle similar to that of “non-affectation” known from budgetary law – *i.e.*, fulfilling one’s duties does not create any right to a corresponding service. Rather, it is an offering “to all”, the burden of which, under certain circumstances, is made lighter by the certainty that “all others” are likewise disposed towards fulfilling their duties, or can be forced to do so.

The double restriction civic duties place on freedom of action is illustrated by comparing them with a simple purchase. Purchases are the result of a two-tiered decision, made freely. In the first step, the buyer decides how much money he would like to spend (instead of, say, denating it or saving it); in the second step, he decides which goods he would like to obtain for the money spent. With civic duties, both of these freedoms are annulled. For example, school-goers (legally represented by their parents) have neither the freedom to refuse to attend school, nor the right to determine the curriculum. Instead, curricula – like state budgetary expenditures or military defense obligations – are decided upon politically by the institutions and office-holders of the three areas of state authority entrusted with those responsibilities. The individual citizen is thereby integrated into a compulsory association of cultural, defense, national, budgetary, and legal communities. Although, “all” citizens ultimately determine the content and purpose of this association through the processes of democratic legitimation and political accountability, they perform this function not as individuals, but as constituent members of a political community.

This account of civic duties is not intended to provide fodder for neo-liberal attacks on the “vampire state”, but rather to introduce two propositions. Vertically, the efficiency of a state’s actions requires that citizens fulfill their duties automatically, or at least that the state be able to secure their compliance with minimal use of its resources of coercion. That which is expected of the individual citizen is nothing less than the feat of taking part “obediently” in an organization of rule that compels him to be a member of a cultural, economic and defense community at the cost of some of his freedom, some of his possessions, and in some cases, his life. Horizontally, the fulfilment of civic duties depends upon every “duty-bound” citizen thinking of the collective author of his normative duties (*i.e.*, the state, which is established by a democratic political process) and thus of “all other citizens” (who participated in that process) as capable of sufficient reason and goodwill to accept these duties as legitimate and binding.

In order for a citizen to recognize a duty as legitimate and binding and thus to fulfil it “voluntarily”, rather than as a calculated avoidance of punishment or in deference to tradition, he must hold two robust and resilient fundamental beliefs about “everyone else”. First, he must have enough faith in the integrity of his co-citizens that he perceives no reason not to

perform his civic duties; “he himself” must assume that “all others” will fulfil the same duties. Second, a citizen must believe that his own compliance is important even when it does not bring him any direct personal benefit, but rather redounds to the advantage of others, whose welfare is one of his “external” preferences. The first of these beliefs is passive and can be defined as *trust* (or the absence of fear). It can be strengthened through a constitutional and legal order, which in guaranteeing basic rights, limits the power of the collective to make decisions affecting the individual, but it cannot be established this way. The second is an active belief and is called *solidarity* (or the absence of indifference); it, too, cannot be forced on people formally, but rather merely encouraged through state social services and the redistribution of wealth.⁶

The “horizontal” phenomena of trust and solidarity (linking citizens to each other) are preconditions for the “vertical” phenomenon of the establishment and continued existence of state authority, manifested in effectively ensuring the performance of civic duties. In simple terms, this means that before citizens can recognize the authority of the state, they must first mutually recognize each other as being motivated by – and hence reciprocally worthy of – trust and solidarity. It is precisely when this abstract but resilient trust in “everyone else” as the collective co-author of the obligating norms is undermined, or when citizens’ active interest in each other’s well-being is successfully discredited that liberal notions about curtailing the scope of the state’s authority flourish. Trust in one’s fellow citizens provides the cognitive and moral foundations for *democracy*, the risks of which no one would reasonably accept otherwise.⁷ The solidarity citizens feel toward one another, or to which they allow themselves to be obligated through their representative institutions, is the moral basis of the *welfare state*. Thus, both democracy and the welfare state are dependent upon the prior existence of binding motives, which in turn are tied to the form of political integration found in the nation-state.

The special ability to place citizens under obligation, which arises from their affiliation with a national political community, is, of itself, nothing mysterious. Belonging to a “people” is essentially a *status* right. This right can be conferred upon someone (through naturalization), but it cannot be obtained contractually (say, through purchase) – just as children do not become family members through contracts (except for in the case of adoption). Because nationality is not contingent upon a contract, it is a remarkably “fixed” status. Unlike companies or even states, nations are a form of societal organization that can neither be “founded” nor go into liquidation. Their origin loses itself in the mists of the past (which is also the birthplace of founding myths), and they are perceived to exist “forever”.

⁶ Claus Offe, *Modernity and the State: East. West.* (Cambridge: Polity, 1996), pp. 147–182.

⁷ If citizens regard each other as “hostile” or “malicious”, they might, out of this “timorousness” (Weber’s *Timidität*), feel that their interests would be better served by an authoritarian regime.

For those who belong to the special social construct “nation” (to which, in this respect, only the social group “family” corresponds), the defining features of membership – *i.e.*, “affiliation as a status right” and the “fiction of permanence” – make it relatively easy to engage in risky interactions such as a demonstration of trust or solidarity. Expressions of trust are made safer by the common national culture, the improbability of migration and the ability to impose sanctions in cases of defection. Demonstrations of solidarity are less risky because the exchange relation is understood as unlimited in its temporal extension; the duties each citizen performs need not be re-paid directly to that citizen, but rather can be passed down from one generation to the next in a never-ending chain. Following the conceptual model of the generational contract in social retirement insurance and the principle of what Kenneth Boulding called “serial reciprocity”, no member of a nation is ever in danger of being the “last” one (and hence the “sucker”, in game theoretic parlance) who contributed without being able to claim the right to services in return. Like the family on the micro-level, the nation on the macro-level constitutes an unusually favourable structural and interpretive framework for “assurance games” – *i.e.*, cooperative solutions that reproduce themselves and for which functional equivalents are not easily located above or below the national level.

The idea of a totality of persons, integrated through relations of trust and solidarity and extending beyond family and tribal affiliations, though not to the extent of being “limitless” in space, appears to be a necessary condition for democracy. The universe of citizens who achieve their collective self-recognition in this manner has its outer borders in the nation and its “people”. The people, not as an ethnic affiliation by origin and culture, but as a political community, self-constituted in reference to history and territory and made distinct by its willingness to demonstrate trust and solidarity⁸, is an indispensable conceptual building block of political analysis. It is the social sub-stratum of the polity, which produces a legally formalized constitutional order and strengthens that order through its ability to integrate.

⁸ Lutz Hoffmann, “Das ‘Volk:’ Zur ideologischen Struktur eines unvermeidbaren Begriffs”, *Zeitschrift für Soziologie*, vol. 20, no. 3 (1991), pp. 191–208.

2. Motives for Surmounting the Limits of the Nation-State and the Dilemmas they Raise

Although the nation-state generates the relations of trust and solidarity upon which democracy and the welfare state depend, it is structurally a sub-optimal formation. The nation-state is economically sub-optimal because it restricts the mobility of consumer and capital goods at its borders, making it less efficient than a common market, which provides for the comparatively unlimited exchange of all goods and services under uniform conditions. It is politically sub-optimal because it tends to prioritize narrowly-defined national interests over transnational problems, even to the point of accepting the collective harm of military force. The rational solution would be to transfer political responsibilities from national to, say, European governmental authorities, particularly in the areas of foreign affairs, security, law and monetary policy. However, if this argument appears compelling on the surface, attempts to put it into practice quickly run up against a fundamental fact of social life: It can be perfectly rational for actors to choose non-cooperative tactical moves that manifestly violate long-term, global optimization criteria if these moves maximize their utility under given “local” opportunity and incentive structures. Actors will be particularly inclined to do this when they perceive that other actors, upon whose cooperation global success is dependent, are caught in the same dilemma. Global-rational solutions are impeded even further if there is an uneven distribution of either the sacrifices or the expected profits of cooperation. Clearly, then, what is needed is a rational method of resolving conflicts between local and global efficiency, or short-term and long-term efficiency.

Because of the lack of clear normative-analytical standards, political science research on Europe has largely avoided identifying “rational” ways to create institutions, and instead has limited itself to offering explanatory reconstructions of dilemmas and the paths actors have followed in attempting to overcome them. These paths are characterized by antithetical idealized concepts such as “negative” vs. “positive” integration,⁹ or “contract” vs. “constitution”.¹⁰ National governments are typically seen as responding to the Common Market’s neutralization of their economic sovereignty by seeking to preserve their political sovereignty, yielding it only through voluntary and revocable contractual agreements. Without any formalization of the players, themes and processes, and in the absence of any authorization from a central governmental power, an involuntary process of negotiation begins. This process pushes on at random, arrested or accelerated by changing environmental conditions, and shaped by a functionalistic logic of emergent problems, “spill-

⁹ Fritz W. Scharpf, “Negative and Positive Integration in the Political Economy of European Welfare States”, in: *Governance in the European Union*, Gary Marks, Fritz W. Scharpf, Philippe C. Schmitter and Wolfgang Streeck, eds. (London: Sage, 1996), pp. 15–39.

¹⁰ Grimm, “Braucht Europa eine Verfassung?”.

over” effects, problem-solving, and consensus-building.¹¹ The idea that consistently emerges, from both “realist” and “functional” interpretations of transnational processes of integration, is that the interdependencies between relevant governmental and non-governmental protagonists are noted and cumulatively included in cooperative arrangements; however, this process is not itself embedded in political institutions, nor is it politically steered.

The conceptual alternatives that dominate the social science debate on Europe are clearly divided and are indicated by the conceptual pairings “inter-governmental voluntarism” vs. “neo-federalism” or “supranationalism”. The two alternatives refer to different dynamics of integration. “Inter-governmental voluntarism” describes a functionalist dynamic driven by national and sectoral interests or contractual compromise, wherein progress is made through cooperative tactical moves that cumulatively fulfil emergent functional necessities. “Neo-federalism” and “supranationalism” both refer to a dynamic that envisages the intentional establishment of a political order for all of Europe, oriented towards the fulfilment of shared values and standards – *i.e.*, a federalist state order. This latter perspective can be described as “intentionalist”.¹² The difference between “negative” and “positive” integration corresponds to the distinction drawn between inter-governmental voluntarism and supranationalism. Negative integration is understood here as the elimination of tariff and other barriers to trade and capital mobility sanctioned by decision of the European Commission, and, when necessary, the European Court of Justice. Positive integration refers to the emergence of a uniform, EU-wide system for the regulation of economic, trade and social relations, and presupposes a corresponding development of political will in the Council of Ministers.

In a system of economically interdependent but politically independent nation-states, there are two principal problems of cooperation, which give rise to mutually exclusive solutions. The first problem occurs when national governments act uni-laterally or inter-governmentally in a manner that threatens other players with negative externalities. Behaviour of this sort can be eliminated only by reducing the scope of the nation-state’s discretionary authority. One way of achieving this would be through a higher-ranking, Euro-federal “governing capacity”, based on positive integration and the principle of subsidiarity, which had the power to limit the exercise of national sovereignty to truly “internal” affairs – *i.e.*, affairs whose regulation would not create negative externalities. Another approach would be to foster an

¹¹ Philippe C. Schmitter, “Examining the Present Euro-Polity with the Help of Past Theories”, in: *Governance in the European Union*, Gary Marks, Fritz W. Scharpf, Philippe C. Schmitter and Wolfgang Streeck, eds. (London: Sage, 1996), pp. 1–14.

¹² The “intentionalistic” conception of transnational processes of integration implies that the integration process could be disrupted by a lack of support from the national populations affected. This distinguishes it from “the functionalistic theory of integration, [which] thinks of European unification as a process controlled by the leading elites of the countries involved, as well as by the functional elites of international organizations. As long as these [elites] ... are in agreement that the current political and economic challenges demand international solutions, the opinion of the broader population is, to a large extent, without consequence for the course of further integration”. Stefan Immerfall and Andreas Sobisch, “Europäische Integration und europäische Identität: Die Europäische Union im Bewußtsein ihrer Bürger”, *Politik und Zeitgeschichte*, vol. 10, (1997), p. 26.

understanding that a strong, formally constituted European executive is the only entity capable of counteracting the homogenizing forces of the market. In both cases, however, a marked expansion of “positive” integration is clearly required, not just in the areas of foreign, domestic and judicial policy, but also for labour market and social policies.

This leads to the second problem of cooperation. Consent to a “strong” governmental form arouses the opposite fear among a significant number of member states – namely, that a potent European “governing capacity”, based on majority decisions and not hamstrung by voluntary adherence, could render individual member states defenseless against the political agendas of the dominant players. The most typical scenario is one in which the national preference of the majority in individual member states is drowned out as a minority position within Europe. At the core of this fear is a sense of the impending loss of the democratic nation-state’s “autonomy in shaping its own will” (*Autonomie der Willensbildung*).¹³ This leads to a rational preference for a negative form of integration, which maximizes the political jurisdiction of the nation-state.

In assessing the relative merits of negative and positive integration, it is important to recognize that the former can be just as damaging to the socio-economic order as the latter is to national autonomy. In the case of purely negative integration, the threat is to the social welfare system, which nation-states are able to maintain only by virtue of having control over their own labour market, social, monetary and economic policies. In the case of purely positive integration, it is the nation-state’s established mechanisms for democratic legitimation that are imperilled; these mechanisms cannot be reproduced at the European level because Europe lacks the inner structures of a “nation” as described above. The choice is thus between the plague of negative externalities caused by voluntarism and the cholera of political determination by European institutions against whose claim to sovereignty nation-states cannot muster any democratic remedy. Rather than confront the implications of this choice directly, each national government imagines that it lives in the best of all possible worlds – one in which all others governments are bound by the chains of a European government, but it is free to make policy in harmony with national majority preferences.¹⁴

¹³ Fritz W. Scharpf, “Demokratische Politik in Europa”, in *Zur Neuordnung der Europäischen Union: Die Regierungskonferenz 1996/1997*, Dieter Grimm et al., eds. (Baden-Baden: Nomos, 1996/1997), p. 65.

¹⁴ There are certain conditions under which it may be rational for nation-states to cede their sovereignty to supranational institutions. Marks et al. (1995: 9f.) identify two such situations. First, an advantage of cooperation (for example, reduced transaction costs) may come into effect earlier than the disadvantage associated with relinquishing sovereignty. Second, the transfer of decision-making rights to a higher level of government may enable governing elites to shift responsibility for the undesirable consequences of a decision to that level of government: “In some circumstances, responsibility for a particular decision is a power to be avoided rather than sought. This is true if any decision on a particular issue brings more costs than benefits”. Cf. Gary Marks, Liesbet Hooghe and Kermit Blank, “European Integration Since the 1980s: State-Centric Versus Multi-Level Governance”, *Journal of Common Market Studies*, (1996), p. 9ff. It is important to note, however, that both scenarios simply involve a trick, whereby problems of legitimation are deferred to a future date.

My thesis is that every provisional solution between the two extremes of full nation-state sovereignty and European supranationalism inevitably violates *both* reference values – *i.e.*, protection of the social welfare system and democratic legitimation. The present approach to European integration thus would appear to represent a descent down the ladder that T. H. Marshall proposed as a model for the process of European political modernization.¹⁵ The three rungs of this ladder are liberal, democratic and social rights, achieved cumulatively. The question is whether in Europe today the social welfare and democratic levels are being passed in reverse, reducing Euro-citizens to the status of mere participants in a neo-liberal marketplace.

The degree of integration achieved in Europe since the signing of the Treaty of Amsterdam in June 1997 bears out this thesis. It can be characterized as a state of suspension between the inter-governmental and supranational models. Economically, the EU functions as a confederation of states operating on an inter-governmental basis. The member states have created a unified, transnational economic realm through a contractual transfer of jurisdictions. Economic and criminal justice authority has already been ceded to Brussels, and the surrender of national currencies and monetary autonomy is imminent. However, this confederation of states joined by treaties is not so much a legally irreversible entity as a practically irreversible one. The parties to the contract perceive no real option of terminating it because such a move would trigger built-in economic sanctions of a compelling deterrent value, and this makes it difficult to speak unambiguously of inter-governmental *voluntarism*.

On the other hand, there can also be no talk of a perfected European federal state. That would require a constitution establishing a balance of legitimation such that the European citizens exercised democratic control directly (and not through their national governments) over the representatives of European sovereignty (the Council, the Commission and the Court). Instead, the nation-state remains an indispensable intermediary in European politics. Such European civic duties as exist can be executed only indirectly, through nation-state administrations; actions can be taken on the European stage only on the basis of nation-state empowerment of European authorities; and legal orders (“directives”) of the European Commission develop legally binding effectiveness (if they are not already limited to the status of “recommendations”) only after their adoption by national legislative bodies. The European executive does not have the capacity to levy taxes, implement defense measures, enact effective orders of law, or take charge of public education.¹⁶ As for the EU’s legislative powers, its two representative bodies, the European Parliament and the Council of Ministers, are hamstrung in their efforts to generate legally binding European civic duties by exceptionally rigid procedural rules. Even the so-called “*acquis communautaire*” – *i.e.*, the

¹⁵ T.H. Marshall, *Class, Citizenship and Social Development* (Garden City: Doubleday, 1964).

¹⁶ And nation-states show no signs of being willing to transfer this authority. For while the members of a nation-state generally concede to their fellow citizens the right to impose normative duties according to jointly created constitutional and legislative procedural principles, and attribute to them the moral and cognitive competence to do so, they typically extend this recognition only to co-nationals!

massive store of norms of secondary European law – has limited binding effect. It already allows members to opt out of regulations in the interests of a “variable geometry”, and it will be undermined further by the special provisions that are certain to accompany the EU’s expansion eastward.

In short, Europe today is in a muddle. National governments are the bearers of democratic legitimacy, but the transfer of authority that has accompanied the implementation of the Common Market has reduced their power to shape the prospects and safeguard the interests of their national populations. More and more, this role is being played by the European Court and the Commission. However, they act largely in accordance with the logic of “negative” integration, because, without a base of political legitimacy of their own, they lack the mandate (and the resources, for that matter) to spearhead the development of new political initiatives. The European Council cannot transfer this mandate to the Commission and the Court, because its members, who act on behalf of national electorates and are responsible to these electorates, currently lack the potential in trust or solidarity to furnish “positive” integration programs with a political and fiscal basis. Thus, there is a disjunction between the ability and the mandate to act; the former is already largely in the hands of the European institutions, but the latter still resides with the national governments. Together, these mirror-image deficits threaten to demolish both the democratic and the social welfare state achievements of the modern European nation-state.

There are two alternatives for addressing the democratic deficit in Europe: a transfer of the ability to act (“governing capacity”) back to the nation-state, or a “transfer forward” of democratically-backed mandates to act to European representatives of governmental power. The first alternative is represented by the call for “subsidiarity” – *i.e.*, for the preservation of domains in which the nation-state is sovereign (for instance, in the areas of labour market and employment policies). The evidence to date, however, suggests that this avenue offers little real hope. No matter how determinedly they endeavour to preserve their autonomy, national governments increasingly find their hand forced by the economic and fiscal imperatives of the Common Market, which seems inexorably to sweep national institutional structures for the development of programs of interest-mediation (such as those of “Rhenish capitalism”) into the vortex of market-driven “institutional arbitrage”.

The second alternative – the transfer of legitimized mandates and action resources to supranational authorities – confronts the following question: Can the Council and the Commission acquire a positive identity in the eyes of European citizens and become the object of demands and expectations concerning a truly European-wide political agenda? The initial outlook on this score is not promising either. There has been a sharp rise in the negative politicization of European institutions since the beginning of the 1990s, owing largely to the strains the Common Market has placed on the institutional and regulatory-political *acquis nationale* established in European countries during the post-war period. This *acquis nationale* has consisted not only in the installation of strong liberal democracies, but

also in the introduction of a wide range of policies of government intervention, which collectively make up the modern democratic welfare state. These policies vary across nations, but generally include measures to promote employment and modernization, social insurance agencies, tariff and political co-determination arrangements and other market-limiting (“decommodifying”) agreements. Praised as a vehicle for fostering inner cohesion and the “institutionalization of class conflict” during the Cold War period, they are now seen as “locational disadvantages” in the new dynamic created by the Common Market, their survival threatened by competitive de-regulation, regressive taxation and a rollback of redistributive measures. European institutions have become negatively politicized in this process because they are perceived to have allowed this progressive dismantling of the democratic welfare state to proceed unchecked. In essence, the charge is that they have subjected the structures of the welfare state to an efficiency test without ensuring that equivalent institutional alternatives exist in the event that re-regulation is deemed necessary.

Thus, as fears mount about the effects of monetary union on employment, social standards and monetary stability, European citizens continue to look to their national governments for a response. European institutions are not yet seen as having a valuable role to play in the search for a framework that will ensure equitable relations between states, regions and social classes. Part of the reason is a lack of vertical efficiency in European politics; European institutions simply do not have the ability – the political and fiscal “governing capacity” – to pursue such ambitious goals. But there is also a more serious horizontal deficiency. Europeans still think of themselves primarily in national terms; they have not yet developed the relations of trust and solidarity on the European level that would be necessary to underpin a stronger European governing capacity. Only when a more abstract and wider frame of reference for a “European people” has been adopted will the cultural and cognitive prerequisites for a positive politicization of European institutions be in place.

Today in Europe, a “*pouvoir constitué*”, limited in its ability to govern and weak in legitimation, controls the scene without a corresponding “*pouvoir constituant*”. The only remedy for this situation is the development of a widespread predisposition towards a “European internationalism”. Ideally, European institutions themselves would help foster this horizontal dimension, but they can do so only as a political and cultural by-product of an increase in the vertical efficiency of European politics. The development of relations of trust and solidarity on the European level is contingent upon good governance, and this means that Europe’s first priority must be to establish a legitimate, transparent and effective European governmental authority, which cannot be “negatively” politicized as a kind of supranational foreign rule. Five means of supplying the institutional protagonists of the EU

with the legitimation and recognition necessary to cultivate a “common frame of political reference” at the level of the citizens have been identified.¹⁷ They are reviewed below:

1. The most “economical” approach to surmounting Europe’s democratic deficit suggests that the legitimation problem will eventually resolve itself automatically. This argument is premised on the technocratic belief that, by placing limits on its own authority, demonstrating knowledgeable competence and ensuring the impartiality of its executive decisions, the Commission could earn itself sufficient political credit with the European public to make further formal legitimation unnecessary. In light of the increasingly negative politicization of the EU and its agencies, however, it now seems indisputable that this strategy was sufficient, at best, for an initial phase of “negative” integration during which the work of the Commission could still be presented as a pure “coordination game” – *i.e.*, as a process with an incidence of advantages that was universal and even.¹⁸

2. The second approach, which dates back to 1979, calls for transforming the EU into a parliamentary system through direct elections to the European Parliament (EP). This proposal is as unworkable today as it was then, for several reasons. The EP’s role remains limited relative to that of the Commission, and there are no European parties, no coordinated system of franchise throughout Europe and, above all, no European public opinion connected by the media to train a critical eye on the EP’s activities. In its capacity as legislative assembly, the EP competes as a kind of second chamber not only with the Council, but also with the national parliaments. Its potential for political legitimation, as set out by the European Union Treaty, remains rudimentary, despite its right – which is restricted in terms of scope and time – to participate in decisions in relation to the Commission.¹⁹

3. The third path to legitimation focuses on the Council of Ministers. This approach is flawed, however, because the Council’s members are the executives of the member states, not the representatives of a European legislature. Although the issues dealt with by the Council can be discussed and voted upon by the national parliaments, the latter’s cognitive resources are inferior to those of the Commission. The Commission simply “knows” more about the conditions necessary for successful transnational coordination and consensus-building in the Council, and this gives it more influence over the Council than the national parliaments.²⁰ A further problem with relying on the Council is that its activities, unlike those of the national parliaments, are usually scrutinized only by groups whose interests are directly affected, rather than evaluated in terms of their impact on the broader European public.

¹⁷ Svein S. Andersen and Kjell A. Eliassen, eds., *The European Union: How Democratic Is It?* (London: Sage, 1996).

¹⁸ W. Scharpf, “Economic Integration, Democracy and the Welfare State”, unpublished manuscript (Köln: Max Planck Institute, 1996), pp. 154–155.

¹⁹ Keith Middlemas, *Orchestrating Europe: The Informal Politics of European Union 1973–1995* (London: Fontana, 1995), pp. 340–364.

²⁰ Gary Marks et al., “European Integration Since the 1980s”, p. 22.

4. The fourth option for strengthening the democratic legitimacy of the EU is the expansion of the practice of qualified majority voting to the Council of Ministers. By cancelling the veto-rights of individual (or smaller groups of) member states, or so the argument goes, it will no longer be possible for a minority of states to halt the decision-making process outright or manipulate it by extortionary means. However, it is questionable whether this proposal genuinely aims to enhance the legitimacy of the decision-making process, or simply to increase its speed and effectiveness. One obvious concern is that “the citizens of countries whose governments are outvoted have no reason to consider such decisions as having democratic legitimation”.²¹

5. The fifth and final recommendation calls for strengthening the mechanisms of territorial representation (elections, parties, parliaments, governments), but also those of functional representation – *i.e.*, through inter-organizational negotiations, or the endowment of corporatist collective actors with political representational functions. This strategy is predicated upon the existence of a system of corporatist (as opposed to pluralistic) organizations, representing the interests of employees, employers, financial institutions, of agriculture, etc., whose protagonists would have the capacity to “lobby” European institutions and build “responsible” compromises. The problem is that no such system currently exists on the European level today, nor is one likely to be created in the near future. Neither does the Economic and Social Committee come close to fulfilling these criteria, nor are Europe’s social partners (especially the unions) organizationally or politically equipped to play the same role on the European stage that they have played in the “corporatist” nation-states.²² Furthermore, those organizations that are in a position to play this role (chiefly the sectoral industrial organizations) generally see “Euro-corporatism” as inimical to their interests, which they believe are better served by the unrestrained operation of markets.

This examination of the dual criterion of the effectiveness and the legitimacy of governance yields the result that the EU presently lacks the qualities that would make it a “political community” expressed in the form of a state. In its present form, the EU is neither a unified organ of governance, nor one of democratic will. As for the demand voiced by some today that republicanism must manage without the support of the nation-state and “learn to stand on its own two feet”, it must be countered that an environment which would be conducive to such learning is simply missing.²³ It is generally agreed that the two deficiencies, that of

²¹ Scharpf, “Negative and Positive Integration in the Political Economy of European Welfare States”, p. 26.

²² Middlemas, *Orchestrating Europe*, pp. 386, 468, 487ff. and 598; Andersen and Eliassen, eds., *The European Union: How Democratic Is It?* pp. 40–51, 251.

²³ Jürgen Habermas, *Die Einbeziehung des Anderen*, p. 142. This environment would be conducive to learning when the two requirements formulated by Habermas are met: “The citizens must also be able to experience the practical value of exercising their rights in the form of social security and reciprocal recognition of different cultural ways of life”. (p. 143, emphasis in original). However, the experience of “social security” is predicated upon the existence of a European governmental authority that has already made itself visible through its ability to act, while that of “reciprocal recognition” could result only from a legitimization process that addressed the fear that European dictates will demolish national institutions and “ways of life” (for example, the Swedish liquor sales and distribution system, or the German public broadcasting corporations).

legitimacy and that of effectiveness of governance, can only be remedied simultaneously. Strengthening the ability of European institutions to govern is not conceivable without an expansion of their formal democratic basis of legitimation. However, the EU will become the focus of the democratic will of an informed European public opinion only when it appears as a unified organ of governance, and this will require that national publics yield ground on subsidiarity and opting-out privileges in favour of greater acceptance of European policies.

It is my contention that steps taken to surmount the European governmental and democratic deficits simultaneously must not be thought of according to the logic of a vegetative process of “ever closer” integration – *i.e.*, as the result of actions based on rational interests. It “should be obvious that [the politics of integration are] *not* driven by a logic of ‘spill-over’ from international market integration to supranational state formation”.²⁴ The logic of advantage is unsuitable as a vehicle for building a political community, because steps toward integration always appear, at least in the short term, as costs (*e.g.*, a loss of protection, or a reduction in security) and thus carry with them the temptation to withdraw or block the initiatives of others. Furthermore, even if Economic and Monetary Union were to prove a positive-sum game, the anticipation of such a blessing would not engender any motivational thrust, for, as Jacques Delors used to say, “people do not fall in love with a common market”. Progress on the way to a unity of European intention and action will materialize only when national publics are presented with *normatively* convincing grounds for the desirability of a political integration – reasons they find sufficiently compelling to warrant their acceptance of the (temporary) disadvantages caused by the integration of states, regions, sectors and social classes.

²⁴ Wolfgang Streeck, “Neo-Voluntarism: A New European Social Policy Regime?” in *Governance in the European Union*, Gary Marks, Fritz W. Scharpf, Philippe C. Schmitter and Wolfgang Streeck, eds. (London: Sage, 1996), pp. 65 (emphasis in original).

3. Normative Arguments for European Integration

Having determined the need for a more “intentionalist” (as opposed to functionalist) paradigm for European integration, we must now examine whether there exists an adequate supporting repertoire of European social norms in the name of which a process of integration can be promoted which cannot be promoted on the basis of an interest-driven logic of advantage alone. These norms must be potentially binding and they must have the motivating power to support the establishment of a federal European organ of governmental rule beyond all particularist and short-term calculations (and eventually in opposition to them).²⁵ Our examination must also embrace the related question of whether there is such a thing as a European “identity” – *i.e.*, a totality of binding and obligating traditions, which originate in European history, are unanimously accepted as valid by present-day Europeans and can orient and legitimize political action in the relations between European nation-states. I would suggest that the outlook is bleak on both fronts.

Herfried Münkler has demonstrated that the term “Europe” lacks positive content and fails to provide practical convergent points for orienting activity.²⁶ Rather, it is outward-looking and more in the nature of a “counter-term”. Historically, Europe has defined itself as a community of protection against the Ottoman, “Asian” and “Soviet” “East;” as an internally divided colonial community of “mother countries” in relation to the South; and, from time to time, as a culturally chauvinistic community of tradition set against the Anglo-Saxon West and its “civilization”. When one attempts to formulate a normatively substantive and non-idealistic definition of Europe as an entity in and of itself, however, the term immediately falls apart into groupings of nation-states, whose common history is remembered as one that divides more than binds.²⁷

The roots of these, at times, overlapping partial aggregates of Europe may run very deep and have impeded the development of binding notions of European citizenship and pan-European social solidarity. Europeans generally do not view each other as possessing the

²⁵ It is notable that insistence upon the intrinsic normative value of European integration and related efforts to downplay points of view based on national interests are peculiarities of the discourse of political and intellectual elites in Germany. Consequently, the objectives that inform this discourse are more “Euro-federal” than “intergovernmental”. Although strong arguments can be marshalled in favour of this one-dimensional vision of a Europe grounded in principles rather than interests, they remain vulnerable to two suspicions. Outside observers not unreasonably fear that this vision (1) merely expresses German uneasiness about persistent European fears of renewed German hegemony, or more seriously, (2) uses “post-national” motives as a smoke-screen to obscure a drive for dominance of a monetarily unified Europe by the German government (and its Bundesbank).

²⁶ Herfried Münkler, “Europa als politische Idee: Ideengeschichtliche Facetten des Europabegriffs und deren aktuelle Bedeutung”, *Leviathan*, vol. 19, no. 4 (1991), pp. 521–541.

²⁷ Think of the Latin-European Mediterranean states, the Greek-Orthodox countries, the Carolingian countries, the Hapsburg-succession states, the German-speaking countries, the British and French model cases of Western democracy, the British Isles, the Benelux, Scandinavia, the Baltic states, the Allies of WWII, the emerging democracies of central and eastern Europe, the four neutral countries not members of NATO, or the coastal states of the three European Seas and Oceans.

status of people “like ourselves;”²⁸ this conception of a “family resemblance” (historically, economically, geographically, politically or however substantiated) is typically reserved for selected “neighbours” and generally is not extended to all Europeans. In reality, the term “European” is more a descriptive social-geographic category than a politically instructive category of common reflection and political will that could become a basis for self-characterization, and this has disturbing implications for European integration. As Delanty writes, “European integration must recreate what exists on the level of the nation-state, but this is impossible because Europe is devoid of a cultural framework independent of the nation-state”.²⁹

Clearly, there is a need for principles that could transform European unification into a hegemonic idea, independent of the balance-sheet of positive and negative “pay-offs”, but the search for such principles has been held back by the absence of a clear conceptual starting point. If peace, human rights, democracy, and economic prosperity and its equitable distribution are the genuine European reference values, then the Maastricht and Amsterdam treaties are hardly documents that could feed a European constitutional patriotism based on these values (and in any case, the Commission lacks the jurisdiction, the will and the financial resources to turn the EU into such a bastion of social justice).³⁰ As for EMU, the present focus of the integration process, it certainly will not furnish the moral and political motives for a political union of Europe. Instead, widespread fears about its impact on economic stability and employment have prompted a backlash, which makes it seem unlikely that a plebiscite on further integration would achieve a positive result.³¹ European political elites have endeavoured to combat this negative view of closer economic integration by appealing to the symbolic-expressive and moral principles of European identity, but to little avail. “The articulation of a symbolic discourse of Europeanness has ... had little impact (and even that has often been negative, notably in the anti-Muslim overtones of the idea of a “Christian” Europe), and the institutions designed to embody it (e.g., European citizenship as created by the Maastricht Treaty, or even direct elections to the European Parliament) have been highly marginal”.³²

There are also practical obstacles to the formulation of a strong normative argument in favour of European integration. Given the size of the EU today and the diversity of

²⁸ Nor do they view each other as possessing an unconditional right to assistance arising from a European sense of solidarity. When European are moved to altruism, they are far more likely to direct their charitable donations to Bangladesh than to the inhabitants of the Irish Northwest.

²⁹ Gerard Delanty, “Theories of Social Integration and the European Union: Rethinking Culture”, unpublished paper (University of Liverpool, 1996), p. 6.

³⁰ “EU social expenditure amounted in 1994 to 0.9 per cent of the welfare budget of the member states”. Richard Gomà, “The Social Dimension of the European Union: A New Type of Welfare System?” *Journal of European Public Policy*, vol. 3, no. 2 (1996), p. 222.

³¹ Immerfall and Sobisch, “Europäische Integration und europäische Identität”.

³² John Crowley, “European Integration: Sociological Process or Political Project?” *Innovation*, vol. 9, no. 2 (1996), p. 156.

economies and cultures it encompasses,³³ it may be inevitable that attempts to transcend national particularities and achieve a symbolic-moral self-characterization of “Europe” lapse into abstraction. And as fiscal austerity measures undermine the EU’s capacity for structural, regional and agricultural support,³⁴ and eastward expansion admits new members who will be net recipients of EU funds, it seems probable that what little good will the European public currently does bear the project of European integration will evaporate. This constellation of European values and nation-state interests is leading to the visible decay of the symbolic *Gestalt* of Europe and of the political-moral demands that can be plausibly attached to the EU.³⁵

In the worst case scenario, some observers have suggested that democracy – the quintessential European principle – will be damaged rather than strengthened by political integration. “The principle of democracy is validated in the member states; these, however, see their decision-making powers on the wane. The decision-making powers accrue to the European Community, where the principle of democracy is only weakly developed”.³⁶ And as the discussion in part of strategies to enhance the legitimacy of the European institutions made clear, institutional reform by itself is an inadequate response to this problem. As Scharpf succinctly points out: “The democratic deficit cannot be reformed away”.³⁷ Grimm contends that the EU’s democratic deficit is rooted in its multi-linguality and the obstacle this raises to the formation of a European public sphere capable of holding political parties and legislative institutions accountable in accordance with the standards of western European democracy.³⁸ In the absence of a European “people”, the demand for accountability will have to be addressed within the framework of the nation-state, and since any attempt by the EU to approach a federal state in its structures and functions will weaken democratic principles, the EU’s legal basis must remain grounded in a contract under international law, not a European constitution.³⁹

³³ Presently, the EU is home to eleven languages, three large Christian and several non-Christian religious communities, growing geographic distance, vastly different member state experiences with Europe, and above all, disparities in economic development and productive capacity. For example, with respect to the last dimension, the ratio of the per capita production of Luxembourg and Greece in 1995 was 3 to 1. Cf. Richard Rose, *What is Europe? A Dynamic Perspective* (New York: Harper Collins, 1996), p. 278.

³⁴ Michael J. Baun, *An Imperfect Union* (Boulder: Westview, 1996), p. 143.

³⁵ The preceding discussion demonstrates that the EU cannot be thought of as a construct analogous to a normal “state”. The reason is that the collapse of state socialism and its border with the West have raised questions about the limits of the European state and its “people” that have yet to be definitively answered in the manner required for a normal and proper state.

³⁶ Grimm, *Braucht Europa eine Verfassung?* p. 34.

³⁷ Scharpf, “Demokratische Politik in Europa”, p. 65.

³⁸ The standard of western European democracy should be thought of here in contrast to what O’Donnell terms the simple “electoralism” of Latin American “delegative democracy”. Cf., Guillermo O’Donnell, “Delegative Democracy”, *Journal of Democracy*, vol. 5, no. 1 (1994), pp. 55–69.

³⁹ Habermas vehemently rejects this conclusion, even if with a few bold normative insinuations, in *Die Einbeziehung des Anderen*. And he is not alone in dissenting from this pessimistic view of the prospects for European integration. Thus, Sassoon thinks it imaginable, desirable and even imperative for the maintenance of the level of integration already achieved in Europe that the integration process be liberated from the shackles of the

Thus, the conclusion seems inescapable that a repertoire of social norms capable of supporting a more “intentionalistic” paradigm of European integration does not currently exist. Moreover, interdependence and the division of labour will not automatically generate this trust and solidarity, any more than social integration, in the sense of the convergence of social norms and cognitive orientation, will flow naturally from the integration of national systems through trade and factors of mobility. The horizon of the Common Market created by the Unitary European Act of 1987 coincides with that of a European political society as an undivided community of will. If this society is to be brought into being, a different set of motives will be required, and its content will depend on how the political socialization of Europe is conceived. Five possible interpretations are considered below.

Europe as a Guarantor of Peace – The political integration of Europe is to be desired (and the attendant economic costs and loss of national sovereignty to be accepted) because this would represent a definitive surmounting of the rivalries between European nation-states that led to this century’s most catastrophic military conflicts. In particular, it would ensure the integration into Europe of the country of origin of the two World Wars – namely, Germany – which is also the largest and potentially richest and most powerful EU member state, and which directly borders on more potentially threatened neighbouring countries than any other country in Europe. The attempt to cast Europe as a guarantor of peace is driven by the twin impulses of European fear of German dominance and German anxiety about this fear.⁴⁰ However, “fear is no longer enough to drive European integration forward”.⁴¹ The experiences of the Second World War and the Nazi terror are fading into the past, and the prospect of a military confrontation between the stable democracies of the EU is now highly unlikely. International guarantees make state borders in Europe effectively inviolable, and in any case, states increasingly recognize that gaining access to others’ resources is more easily achieved through such peaceful means as trade and the movement of capital than through the use of military force.

Common Market and informed instead by the objective of setting goals for a socio-politically secured “democratic union of citizens”. To this end, he proposes anchoring a normative minimum for the whole of Europe in a European Charta. This Charta would be more abstract than the *acquis*, and at the same time would democratize European legislation and strengthen the protection of basic and social rights in certain member states. Its purpose would be to make the political principles of a “European model of social capitalism” binding on all present and future members of the Union. Cf. Donald Sassoon, *Social Democracy at the Heart of Europe* (London: Institute for Public Policy Research, 1996), p. 15. A similar call for the political-moral validity of a specifically “European project of modernity” combining an emphasis on productivity with political and institutional checks on the operation of the market is found in Brian Bercusson et al., *Soziales Europa – ein Manifest* (Hamburg: Rowohlt, 1996), p. 18.

⁴⁰ EU member states are suspicious of the fact that Germany is the only EU member to express “a preference for supranational empowerment as a national goal”. Cf. Marks et al., “European Integration Since the 1980s”. Even when this preference is recognized as sincere and not suspected of being a “veil for other objectives”, distrust can be stirred by the anomaly of a nation-state which has misgivings about its own sovereignty and therefore seeks to abolish it. See also Andre Markovits and Simon Reich, *The German Predicament* (Ithaca, NY: Cornell University Press, 1997) on this subject.

⁴¹ Ian Buruma, *New York Review of Books*, October 17, 1996, p. 57.

Of course, the inviolability of existing borders is no guarantee against the far more likely danger that separatist civil wars will be fought over part of a nation-state's territory (as in the case of Northern Ireland), possibly with a view to establishing new borders. However, it is difficult to see how the EU (including the West European Union and the EU's "second pillar", the Common Foreign and Defense Policy) could respond effectively to threats of this sort (*cf.* the example of Cyprus). On the contrary, the spectacular failure of European governments to take decisive action in Yugoslavia after 1991 has almost completely discredited the vision of the EU as a guarantor-authority of a European order of peace. In short, the EU serves a peace that is not threatened, but is positively powerless in the face of the much more immediate danger of subnational wars within individual EU member states and on the region's periphery.

Europe as a Bastion of Freedom – Since 1989, the antithesis of freedom and human rights against the "totalitarian" bloc of the Warsaw Pact and Comecon has no longer functioned as a political and motivational negative reference for Europe. Instead, the sudden liberation of the countries of central and eastern Europe has created a long waiting list of aspiring EU members, whom the existing member states can no longer demonize for their violations of human rights and their restriction of political and civic freedoms. On the other hand, the EU cannot refer to these candidates for membership in unambiguously positive terms either. Whether because of poor economic and political conditions or because of the lack of a strong civil society tradition, many of them fall far short of European standards with respect to their treatment of minorities, their human rights policies and their freedom of the media. In south-eastern Europe and the Baltics in particular, it is questionable as to whether the concept of freedom (no matter how vehemently it is being invoked in order to veto the access of Turkey to the EU) can truly play the role of a positive, normatively unifying bond defining "Europeanness". Thus, "Europe" appears to have lost much of its moral contours.⁴²

Europe as a Singular Synthesis of Political Values and Principles – Europe can be idealized from a historical perspective as the place where the tension between the three components of political modernization – namely, equal rights of citizens, sovereignty of the people and social justice – was resolved theoretically, and on occasion, harmonized in practice. However, the institutional achievement of a "free and democratic social state" has given rise today to a contradiction. On the one hand, the realization of this "European" synthesis has been quite limited in Europe itself, occurring only under the favourable conditions of post-war prosperity in the third quarter of the twentieth century. On the other hand, the normative intention to bring about such a synthesis is no longer an exclusively European goal, but rather has become one of the hegemonic political ideas in the OECD world and beyond. Thus, whereas European universalism has, as an idea, virtually gone global, in Europe itself, as a practical demand, it has been disgraced in various ways. Today, it is Australia that

⁴² Tony Judt, *Große Illusion Europa: Herausforderungen und Gefahren einer Idee* (München: Hanser, 1996), pp. 142–159.

arguably holds the honor of having achieved the most successful and lasting synthesis of the three principles of political modernization, while in Europe, liberals warn of the danger of a “new authoritarianism”, which threatens civic freedoms, rights of political participation and social security.⁴³

Present-day Europe can claim a monopoly on neither the idea nor the reality of freedom, democracy and the welfare state. If a sharp external distinction can be made between Europe and the rest of the world, it is a practical rather than a normative one, arising from the use of trade and immigration policy to construct a “fortress Europe”. The values and principles upon which modern Europe established itself have become, through a synthesis of the legacies of the Judeo-Christian, enlightenment liberal and socialist traditions, components of a virtually global shared common property. They are therefore not suitable (at least not without regression to a cultural and religious strategy of political confrontation of the sort foreseen by Huntington) as the distinctive legacy of Europe. Europe today is a motley collection of languages, cultures, religious denominations, historical traditions and nation-bound understandings of sovereignty; and this heterogeneity will only become more pronounced as the EU expands eastward. Thus, one looks in vain for standards and principles that would be recognized as binding *everywhere* in Europe and *only* in Europe.

Europe as a Shared Cultural Space and Way of Life – It is often assumed that the expansion of the Common Market will make national borders motivationally and cognitively less relevant and lead to a greater homogeneity of lifestyles and consumption patterns. Transnational tourism, media broadcasts of sporting events, an opening of national-linguistic spheres of communication through the spread of foreign language skills, the dissemination across Europe of visual and acoustic (*i.e.*, non-verbal) art and entertainment programs, and the extensive media coverage of European themes are all seen as means of creating a shared cultural space and way of life. Eventually, a new cognitive framework could emerge, which would protect local and regional traditions but at the same time be firmly grounded in a positive conception of a unified Europe.

In the meantime, however, the reality is that “European” self-identification (other than in tiny Luxembourg, with its 29 per cent share of EU-foreigners in the residential population) remains a marginal phenomenon. “Only a small minority of *de-jure* Europeans think of themselves presently as ‘European’ in the psychological sense”, and “university trained people think of themselves as ‘European’ twice as often as persons with less formal education”.⁴⁴ The European frame of reference is, therefore, that of a narrow segment of elites, while attitudes towards work and politics, religion, family and education still follow clear national patterns. As for political, educational and cultural programs aimed at shifting

⁴³ Ralf Dahrendorf, “Die Quadratur des Kreises – Freiheit, Solidarität und Wohlstand”, *Transit*, vol. 12, pp. 5–28.

⁴⁴ Immerfall and Sobisch, “Europäische Integration und europäische Identität”, p. 33.

the focus of citizens' world views from the national to the European level,⁴⁵ they should be viewed with scepticism given the reservations Europeans already have about the progress of integration.

Europe as an Economy of Scale in Political-Economic Terms – Combining the economic, political, technological, scientific and military resources of the (expanded) EU would create opportunities far surpassing those available to conventional economic “world powers”, among which would be the formation of an unprecedented political and societal problem-solving potential. Less obvious is what sorts of problems would be recognized as meriting a “pooling of resources” (in contrast to the simple removal of barriers to the mobility of various resources) and a deployment of this formidable problem-solving capacity. The only Europeans with a definite claim on European funds are the candidate countries of central and eastern Europe. For them, the speed and direction of economic and political modernization are dependent upon whether and how soon they can partake, as full members, of the structural and agricultural funds. However, acute budgetary and labour market crises in many EU member states have reduced western European tolerance for transnational redistribution.⁴⁶ Furthermore, the long-term contribution that central and eastern Europe could make to the EU's collective resources (new markets, possibilities for investment, military security, control over migration) is much less evident than that expected from Spain and Portugal at the time of the EU's expansion into southern Europe, in 1986.

To complicate matters further, the European funds are not the only means of achieving the much-vaunted effects of synergy and economies of scale; these effects can also be realized below the level of the Commission, through bi-lateral and multi-lateral economic, scientific-technical and military forms of cooperation. If the full economies of scale of European integration are to be realized, mutually agreed goals and projects will be necessary, to which EU members are sufficiently committed that they will accept the necessary short-term distributional sacrifices. Such goals and projects are currently in short supply, however. The problem would not be so serious if forms of “positive” integration existed, which could make the European “polity” into a vehicle for a Europe-wide social and employment pact. Instead, the opposite is the case, with the consequences of the present “negative” approach to integration – *i.e.*, competitive deregulation of national employment and environmental protection standards and pressure to consolidate budgets – actively working against the development of a positive vision of integration. The sole remaining argument in favour of conceiving Europe as an economy of scale in political and economic terms is that the continent's political integration as “fortress Europe” could ensure its protection from external competitors, chiefly in North America and the Far East. However, this is hardly a strong basis for a positive vision of European integration.

⁴⁵ Walter Hornstein and Gerd Mutz, *Die europäische Einigung als gesellschaftlicher Prozeß* (Baden-Baden: Nomos, 1993), pp. 22, 249.

⁴⁶ For instance, it is clearly not feasible to extend the Common Agricultural Policy, as it is presently conceived, to a country such as Poland, where no less than 27 percent of all those employed work in the agricultural sector.

This seems to exhaust the repertoire of values and principles upon which the project of a political union of Europe could be based. None of the five interpretations considered above offers a clear path forward, but the analysis does reveal one important thing: the public's need for a normatively convincing defense of European integration grows more pressing as the integration proceeds, and this is true for both internal and external reasons. At home, Europe confronts the rise of right-wing populist-nationalist sentiment, primarily in Austria, but also in Greece. This remains a localized phenomenon, but to the extent that it represents a backlash against the negative consequences of integration, it may intensify as those consequences become more apparent. Abroad, Europe faces a plethora of problems – involving climate, ecology, economic stability, development, migration, crime, the media, security and external affairs – that require concerted transnational action. In the face of these pressures, the functionalist approach to European integration, which suggests that the European project – at times haltingly, at times precipitously – will somehow, under the strain of existing interdependencies and emerging elite-consensus, will accomplish itself quasi-automatically, is revealed as increasingly barren. People would do well to remember that Europe provides a framework not just for cooperative problem-solving, but also for problem-diffusion (*cf.* the discourses regarding BSE and “Schengen”, as well as the strains on redistribution created by the drive to meet the Maastricht convergence criteria). If the EU is to play the former role – if it is to mount a coherent defense against the disintegrating pressures of globalization and rejuvenate the scope for political action – it will first have to re-constitute itself purposively as an effective and legitimate governing capacity.

Conclusion

I would like to conclude by shifting my focus from the normative motives for political integration to the social-moral consequences of integration. The optimistic view of Europe is that the European Union will steadily acquire greater legitimacy by virtue of its perceived accomplishments, a growing familiarity of European citizens, and a gradual institutional innovation. The democratic deficit, in other words, will wither away of its own accord. A less optimistic, but perhaps more realistic alternative can be summed up in the proposition that the horizons of trust and solidarity and the potential for creating a community on a civic-societal and republican-political basis narrow as the frame of reference for relations of competition and interdependence widens. This “de-limitation” of functional interrelations is accompanied by a deliberate “de-commitment” on the part of individuals, groups, regions and whole states to the European collective. My argument is that when the borders of nation-states become porous, the functional-systematic and the social-moral modes of integration develop in opposite directions. I submit that recent events in Northern Italy and the Federal Republic of Germany support this claim. Neither the “Padanian” fiscal policy secession efforts nor the proposal for a regionalization of the social security system that is so popular with some governments of the more prosperous German Länder can be explained without reference to the budgetary constraints and competitive conditions wrought by the Common Market.

What should we infer from this? Historically, the largest social body capable of supporting redistributive sacrifices has been the nation-state. Thus, we should expect resistance to be all the greater when the demands of distribution are extended beyond that entity. Individuals begin to feel that excessive moral demands are being made of them, and they react by morally under-challenging themselves. As in Banfield’s model of “amoral familism”, they become vigilant lest someone outside their social circle profit from their contributions. This decline in the operative horizons of trust and obligation is caused by the opening of nation-state borders, and it can be expected equally from “rich” and “poor:” from the former, because they will attempt, for rational reasons, to evade national and transnational demands on their resources; from the latter, because, as “policy takers” of regional and structural funds, they have a strong incentive to emphasize their subnational identity in their dealings with European authorities. These two strategies are obviously in a relation of reciprocal intensification.

In the absence of co-extensive efforts to create a political community, “borderless” systems will often over-estimate their moral and legitimate power. In the process, they become breeding grounds for “postmodern” and neo-liberal tendencies, and jeopardize the dispositions and institutional arrangements that encourage individuals and governments to consider the social, temporal and practical long-term effects of their actions (and inaction). This suggests that the most important of these arrangements – the social welfare state and

democracy primarily, but also the corporatist system of comprehensive and “far-sighted” interest mediation – can be realized only “within borders”; that is, within a mode of socialization limited to the nation-state, whose protagonists recognize each other as worthy of trust and solidarity and who perceive each other as equal participants in a community of law, which is enduring and binding for all. By disregarding these connections and allowing the polity to be “de-limited” with impunity, we undermine its power to impose duties and open the door to regional and particularist motives, protagonists, and strategies.

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