

**THE IMPACT OF THE EUROPEAN UNION
ON THE MODERN NATION-STATE**

A Master's Thesis

by

PETEK KARATEKELIOĞLU

**Department of
Political Science and Public Administration
Bilkent University
Ankara
September, 2000**

**THESIS
JC
325
K37
2000**

THE IMPACT OF THE EUROPEAN UNION
ON THE MODERN NATION-STATE

The Institute of Economics and Social Sciences
of
Bilkent University

by

PETEK KARATEKELİOĞLU

In Partial Fulfillment of the Requirements for the Degree of
MASTER OF POLITICAL SCIENCE AND PUBLIC ADMINISTRATION

in

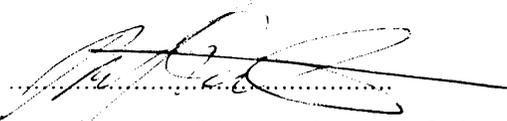
THE DEPARTMENT OF
POLITICAL SCIENCE AND PUBLIC ADMINISTRATION
BİLKENT UNIVERSITY
ANKARA

September 2000

JC
325
•K37
2000

B053314

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Political Science and Public Administration.



.....

Associate Prof. Dr. Meltem Müftüler-Baç

Supervisor

I certify that I have read this thesis and have found it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Political Science and Public Administration.



.....

Associate Prof. Dr. Fuat Keyman

Examining Committee Member

I certify that I have read this thesis and have found it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Political Science and Public Administration.

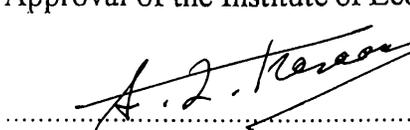


.....

Dr. Aylin Güney

Examining Committee Member

Approval of the Institute of Economics and Social Sciences



.....

Prof. Dr. Ali Karaosmanoğlu

Director

ABSTRACT

THE IMPACT OF THE EUROPEAN UNION ON THE MODERN NATION-STATE

Karatekeliođlu, Petek

Master's Thesis, Department of Political Science and Public Administration

Supervisor: Associate Prof. Dr. Meltem Müftüler-Baç

September 2000

This thesis analyzes, the transformations that occur in the modern nation-state in Europe as a result of the process of European integration. In the history of Europe, if a first historical conjuncture is the Westphalian Settlement which had established the basic grounds upon which the modern nation-state has been founded, a second one is the actualization of the European integration process. This thesis explores the transformations on the modern nation-state by focusing on the principle of sovereignty. The impact of the European Union is analyzed both in terms of the integration processes and in terms of the attempts to cope with the regional disparities within the Union. A latent attempt is to situate the exploration within the context of the process of globalization.

Key Words: European Union, State, Sovereignty

ÖZET

AVRUPA BİRLİĞİ'NİN MODERN ULUS DEVLET ÜZERİNDEKİ ETKİSİ

Karatekeliöglu, Petek

Yüksek Lisans, Siyaset Bilimi ve Kamu Yönetimi Bölümü

Tez Yöneticisi: Doç. Dr. Meltem Müftüleri-Baç

Eylül 2000

Bu çalışma, Avrupa'daki modern ulus devlette, Avrupa birleşme süreci sonucunda meydana gelen değişimleri incelemiştir. Avrupa tarihinde bir dönüm noktası modern ulus devletin temelini oluşturan Vestfalya Antlaşması ise, bir diğer dönüm noktası da Avrupa birleşme sürecinin gerçekleştirilmesidir. Bu çalışma, ulus devlet üzerindeki değişimleri incelerken, egemenlik kavramını esas alacaktır. Avrupa Birliği'nin modern ulus devlet üzerindeki etkisi, hem birleşme süreci, hem de bölgesel farklılıkları giderme yolundaki çabalar çerçevesinde incelenmiştir. Bir diğer amaç ise, bu değişimleri küreselleşme platformunda ele almaya çalışmak olmuştur.

Anahtar Kelimeler: Avrupa Birliği, Devlet, Egemenlik

ACKNOWLEDGMENTS

This thesis is an end product of ten month study. I would like to mention three persons who provided help, encouragement and profound insight to this work. First of all, I would like to express my indebtedness to Associate Prof. Dr. Meltem Müftüler-Baç for her advice, corrections and her elementary lecture; Politics of the European Union. She combined care and patience throughout the research and writing processes of the thesis and guided it with an enthusiasm. I am also grateful to Associate Prof. Dr. Fuat Keyman for his guidance and encouragement during the writing process of this thesis. Lastly, I would like express my special gratitude to Dr. Aylin Güney who made valuable suggestions and always encouraged me to complete this work.

TABLE OF CONTENTS

ABSTRACT.....	iii
ÖZET.....	iv
ACKNOWLEDGMENTS.....	v
TABLE OF CONTENTS.....	vi
INTRODUCTION.....	1
CHAPTER 1: THE WESTPHALIAN STATE.....	6
1.1 The Evolution of the Modern Nation-State	
in Western Europe.....	8
1.1.1 The State as an Extrovert and Introvert Existence.....	10
1.1.2 The Principle of Territorial Sovereignty.....	13
1.1.3 The Strength of the State as It is Measured through	
the interplay of Its Autonomy and Capacity.....	27
1.2 Contemporary Challenges to the Modern Nation-State.....	30
CHAPTER 2: THE EMERGENCE OF THE EUROPEAN UNION	
AS A POST-WESTPHALIAN ACTOR.....	37
2.1 “Visions of a United Europe”: As Historical Consequences	
of the Westphalian State?.....	37
2.2 The Architecture of the European Unification Project.....	44
2.3 The Completion of the Single European Market and the	
dialectic between the Supranational and the Intergovernmental	
from Rome to Maastricht	55

CHAPTER3: TO BRIDGE THE SUPRANATIONAL AND THE	
INTERGOVERNMENTAL: THE EU AS AN INSTITUTIONAL	
FRAMEWORK.....	79
3.1 Why does the Institutional Framework Matters?.....	79
3.2 The Institutional Framework of the EU.....	85
3.3 The Supranational Axis.....	89
3.3.1 The European Commission.....	89
3.3.2 The European Parliament.....	96
3.3.3 The European Court of Justice.....	105
3.3.4 The Court of First Instance.....	111
3.4 The Intergovernmental Axis.....	112
3.4.1 The Council of Ministers.....	112
3.4.2 The European Council.....	116
CHAPTER 4: THE EUROPEAN ECONOMIC, MONETARY AND	
POLITICAL UNIFICATION: “ ‘THE ART OF THE POSSIBLE’	
OR THE ART OF <i>CREATING</i> THE POSIBLE”?	123
4.1 Citizenship of the EU: from National Democracy	
to Supranational Democracy?.....	126
4.2 Stretching Back to the Local.....	132
4.3 Stretching Forth to the Supranational.....	137
4.3.1 Economic and Monetary Unification.....	137
4.3.2 Cooperation in Justice and Home Affairs.....	141
4.3.3 Common Foreign and Security Policy.....	143

CONCLUSION.....	152
BIBLIOGRAPHY.....	157

INTRODUCTION

The opening of the new millenium is marked with fundamental transformations in the classical Westphalian system of states. In this so-called “post-Westphalian” (Linklater, 1996; Buzan and Little, 1999), “Post-international” (Rosenau, 1990), or ‘beyond territorial sovereignty’ (Ruggie, 1993) order, the shape of politics is considerably altered. As Held mentions (1999: 9), the notions of “sovereignty, state power and territoriality stand today in a more complex relationship than in the epoch during which the modern nation-state was being forged”, the prospects of “a new sovereignty regime” make up new debates in comparative politics. The essence of revealing the coming of a ‘post-Westphalian’ order does not necessarily imply the closing down of the state file or the end of the nation-state. Indeed, the basic assumption is that the modern nation-state, the basic premises of which are drawn from the ‘Westphalian settlement’ (1648), is undergoing a serious process of reconstruction or its general framework is restructured.¹ As underlined, a latent attempt of this thesis is to explore the transformations that are going on in the modern nation-state system in Europe as the result of the process of European integration, which is part and parcel of the post-Westphalian order. The European

¹ This argument is basically drawn from the ‘transformationalist thesis’, which is an outlook to the process of globalization. Its underlying assumption is that “globalization is central driving force behind the rapid social, political and economic changes that are reshaping modern societies and world order”. However, “the transformationalists make no claims about the future trajectory of globalization; nor do they seek to evaluate the present in relation to some single fixed ideal type ‘globalized world’ whether a global market or a global civilization. Rather, transformationalist accounts emphasize globalization as a long term historical process which is inscribed with contradictions and which is significantly shaped by conjunctural factors”. See Held, David and et al. 1999. *Global Transformations: Politics, Economics and Culture*, pp. 7-10.

integration for about half a century can be regarded as an integral part of the dynamics of the modern nation-states involved in this process. As it is the main proposition of this thesis, the process of integration, which is going on under the umbrella of the EU, is pushing for a serious reformulation of the modern nation-state by undermining its sovereignty. In addition to this, the capacity and autonomy, relating to the independent policy making potential of the modern state, are weakened. There is a double-pressure on the nation-state; the first and the foremost pressure, which covers the most of the thesis, is the supranational forces of the EU that are pushing for further unification, respectively, on both domains of 'low politics' and 'high politics'.² On the other hand, there is a fragmentary move on the part of the localities within the EU member states as the result of their increase in political strength, which is also an outcome of the European integration\unification movement.³

In the first chapter of the study, the purpose will be to explore the historical evolution of and the basic premises upon which the modern nation-state in Western Europe rests, in order to develop a proper comprehension of the reformulation or restructuration processes which it is experiencing. In this respect, the general purpose of the first chapter is to explore the Westphalian State in

² 'High politics' issue involves "policies concerned with the existence and preservation of the state (such as territorial issues, defense policy and balance of power manoeuvrings). 'Low politics' issues "are more concerned with the wealth and welfare of the populations (such as policies on trade, monetary stability, environmental protection, and airline safety). See Nugent, Neil. 1999. *The Governments and Politics of the European Union*, pp.7-8.

³ As it will be specified in the first chapter, the processes of globalization constitutes the wider framework within which the process of European integration is taking place. Consequently, the regional integration in Europe is also effected by the integrative and fragmentary forces of globalization. See, Axtmann, Roland (ed.) 1998. *Globalization and Europe:Theoretical and Empirical Investigations*.

historical perspective.⁴ The basic emphasis will be on the sovereignty principle of the modern nation-state, as it was conceptualized by the Westphalian Settlement (1648), and evolved throughout the eighteen, nineteenth and twentieth centuries. A second attempt will be to underline briefly what is implied by the strength of the state. This will be made by introducing the relative autonomy and capacity through the interplay of which the strength of the state is measured (Migdal, 1987; Skocpol, 1987; Nordlinger, 1987). Finally, the challenges that the late 20th century has brought about to the modern understanding of the nation-state will generally be open to discussion. The focus will basically be on the integrative and the fragmentary forces of the globalization process. This is attempted to provide a general framework for the analysis of the European integration process. The first chapter of the thesis consists of a very general discussion of the underlying pillars upon which the modern nation-state rests as well as the contemporary challenges that it faces. In the subsequent chapters of the thesis the study of the modern nation-state will be deepened hand in hand with the exploration of the impact of the European integration on the member states of the European Union.

In this respect, the second chapter of the thesis will cover the evolution of the European integration process up until the introduction of the Treaty on the European Union. This period is mainly marked by the economic integration and the completion of the Single European Market, which are of great significance for the purpose of the thesis. The focus will be on the processes whereby the members

⁴ The 'Westphalian State' is used to refer to the modern nation-state. The study takes the Westphalian Settlement as the historical conjuncture when the conception of modern nation-state emerged and evolved throughout the following centuries.

states share their sovereign rights with the EC/EU. Another aim is to demonstrate the extent to which the relative autonomy and capacities of the member states in their policy formulations has been undermined. The chapter will also cover some significant empirical cases to demonstrate the proposition of this thesis, the rulings of the European Court of Justice and the Reports to the Community are some examples (i.e. *Van Gend en Loos* case, *Cassis de Dijon* case, *Tindemans Report*, White Paper).

The third chapter consists of the study of the institutional framework of the EU. The underlying purpose is to develop an understanding of the functioning of the dialects between the supranational and the intergovernmental axis around which the European integration revolves. The supranational pillar is where the member states have given up most of their sovereign rights to the Community, and the intergovernmental pillar is where the member states still hold most of their sovereign rights. However, on the one hand it will be demonstrated that the conclusions adopted in the intergovernmental pillars generally lead to further supranationalism. On the other hand even if the states remain sovereign, their independent policy formulation capacities are considerably undermined. Another latent objective, although not specifically reserved to this chapter, is to underline the role of 'constitutionalism' for the process of integration be sustained.⁵ In the final chapter the prospects for the European Economic, Monetary and Political Unification will be explored. This chapter essentially consists of an account of the

⁵ In this context, 'constitutionalism' refers generally to the Community Law, yet at the same time it refers the process whereby common codes of conduct are formalized, institutionalized to become part of the EC/EU identity. See Weiler, J.H.H. 1997. *The Reformation of European Constitutionalism*.

steps achieved in relation to political unification in Europe.⁶ The underlying aim is to develop an understanding of the extent and scope of the reformulation that European integration\unification has stimulated on the nation-states, which are involved in the process. The idea of a European Citizen, the Economic and Monetary Unification symbolized by the single European Currency (Euro), the European Common Foreign Security and Defense (Identity) Policies are explored as instances of stretching forth to the supranational. Another important part of this chapter is the study of the increased political strength of the localities, which bring about fragmentation. How and why intertwined are the process of integration and fragmentation will be attempted to be explored. And, the connection between globalization and Europeanization will become clearer.

⁶ The focus of the fourth chapter will essentially be on integration in 'high policy' issues.

CHAPTER 1

THE WESTPHALIAN STATE

Held (1984: 29) has pointed out to the centrality of the state in human life by mentioning that

The state...appears to be everywhere, regulating the conditions of our lives from birth registration to death certification. Yet, the nature of the state is hard to grasp. This may seem peculiar for something so pervasive in public and private life, but it is precisely this pervasiveness which makes it difficult to understand. There is nothing more central to political and social theory than the nature of the state and nothing more contested.

It is true that when a student of political science goes back throughout an historical exploration of the state she\he will find out a wide range of literature on the political entities experienced by human collectivities, and corresponding theories about the best possible polity that ought to conduct and organize the mundane affairs of these societies. To put it somewhat differently, the main concern of the political thinkers throughout history was to find out the best possible system of rule that would efficiently regulate the internal activities of a given community and its interaction with other communities at a given time and space.⁷ This inherent inquiry is due to the fact that changes and differences are in

⁷ To begin with the political thinkers, the most prominent of which are Plato and Aristotle, in Ancient Greek times, to be followed by the medieval times, and throughout the modern epoch, the basic concern of political thought was the search for a proper system of rule to organize the social, economic and political interactions of the societies. For an extensive study of the history of political thought, see Weiser, James L. 1983. *Political Philosophy: A History of the Search of Order*. McLennan, Gregor, David Held and Stuart Hall (eds.) 1984. *The Idea of the Modern State*, and Held, David (ed.) 1991. *Political Theory Today*.

conjunction with human life. In this context, retrospection of history demonstrates that the definition of the best possible system of rule experiences corresponding transformations.

The contemporary international system is composed of a wide range of nation-states, as the modern political entity regulating the internal and external activities of their societies, and interacting with one another. Yet, at the edge of the 21st century, the integrative and fragmentary pressures posed by the forces of globalization, by the emergence of supranational organizations, and by the increased political strength and the fragmentary forces of localities are challenging the basic premises upon which the modern nation-states are founded.⁸

These developments lead to the question of whether the political division of the world into various nominally independent nation-states is prompt to change or not. (Watson, 1992; Watson, 1997). Indeed, the present epoch promise to be one of considerable transformations with respect to the international system of states. Even if at varying degrees, all the nation-states are effected by these integrative and the fragmentary pressures within the system. However, the exploration of the transformation experienced by all the nation-states across the globe will be too an extensive work exceeding the scope of this present study. Consequently, the thesis will concentrate mainly on the transformations in Western European states in general, and within the framework of the ongoing process of the European

⁸ The current state of international relations is conceptualized by Rosenau as “postinternational politics”. According to this new conceptualization, the emergence of new political actors in the international arena is stimulating considerable reformulation in the traditional understandings of the external and internal affairs of the societies. In his work, he provides an extensive analysis of the contemporary challenges that the modern international societies are facing. See Rosenau, James N. 1990. *Turbulence in World Politics: A Theory of Change and Continuity*.

integration\unification. Additionally, it is worth mentioning that the time and space where the concept of the modern nation-state, as a territorially sovereign polity, emerged is in Western Europe, and is symbolized by the 1648 Westphalian Settlement that is the outcome of “the intersection of ‘international’ and ‘national’ conditions and processes” (Held, 1999: 36). The legacy of the European system of states, as developed throughout seventeenth, eighteenth, and early nineteenth centuries, still persists today in its general tenets. Its basic institutions and norms are still more or less applied in the contemporary organizations of societies (Watson, 1992). Consequently, to explore the reformulation of the state in Western Europe, promise to be an important point of departure in order to grasp, at least in part, the changes that are occurring in the international system.

Before going into a general exploration of the sources of these transformations both experienced and theorized in Western Europe, the following section will focus on the emergence and evolution of the modern nation-state in Western Europe. The study is introductory to the underlying principles of the modern nation-state the elaboration of which will be deepened in the subsequent chapters while analyzing its interactions with the integrative and the fragmentary forces of the EC\EU.

1.1 The Evolution of the Modern Nation-State in Western Europe

The concept of modern nation-state and the rationale of the modern international system originates in Western Europe. It is the output of the interactions among cultural, social, economic and political dynamics, which the Western Europe

experienced throughout its history. The history reveals that all the nation-states that are today considered as being part of the integration process of the EU have had a contribution on the making-up of this modern nation-state. The classical civilization of Greece, the feudal structure of the medieval Latin Christendom, the Italian Renaissance, the Reformation and the counter-Reformation, the overseas expansions launched by the Spanish and Portugal kingdoms, the 'Glorious Revolution' in England, the French Revolution, the Industrial Revolution, and the two World Wars in Europe, all these experiences combined together to pave the way for the theoretical and practical grounds upon which the Western culture and the modern nation-state are founded.⁹ To provide a coherent picture of the modern nation-state in Western Europe, these historical inputs active in the formation and evolution of the modern nation-state will be touched upon. However, while depicting the historical evolution of the concept, the basic emphasis will be on the main pillars of this state in question as they are proposed in this thesis.

As already mentioned, the study focuses on two major pillars upon which the modern nation-state is traditionally supposed to stand. These are the principle of sovereignty, and the notion of strength as it is measured through its autonomy and capacities. However, before going into an exploration of these two basic tools to define the state, a very general description on the nature and scope of the modern nation-state is necessary to project a light on the subsequent sections. The state has a function to act as an arbiter of interests in two different spheres of social interactions, the internal and the external. To repeat the observation of Held

⁹ A very extensive study of the European history is provided in Palmer, R.R. and Joel Colton. 1971. *A History of the Modern World*.

(1999: 36), “the interstate system crystallized” at the conjunction of the internal and external “conditions and processes”.

1.1.1 The State as an Introvert and Extrovert Existence

A very general exploration of the concept of the modern state reveals two major dimensions determining its nature and scope. The first one is the internal dimension, which consists of the regulation and the inter-mediation of the domestic activities of a society within a given territorial boundary. The second one is the external dimension, which involves the regulation and the inter-mediation of the activities of this territorially confined society with the rest of the world. Poggi (1978), in the introductory chapter of his work *The Development of the Modern State* gives a general explanation of these two dimensions of the nature and scope of the state. First, he defines ‘politics’ as the institutionalized form of ruling a certain social system. Then he identifies the state as the privileged institution in “politics” or the “political”, and observes that “the state...reserves to itself the business of rule over a territorially bounded society; it monopolizes in law and as far as possible in fact, all the faculties pertaining to that business”. Accordingly, he refers to the political theories of David Easton and Carl Schmitt, which he contrasts and reconciles in order to provide a general framework of this “business of rule” that the state is involved in. Within this framework, Easton’s conception of “politics” is the circle of creating, generating, distributing and redistributing scarce and valuable resources within a given society. The ‘values’ are created, in a ‘territorially bounded society’, both by the processes of social interaction and by the processes of re-allocation of these created values by the

state.¹⁰ Accordingly, these valuable resources may be on the one hand abstract, such as cultural constructs, having symbolic values attached to them by the society. These are redistributed by the state or by 'politics', so as to meet the moral needs of a given society. On the other hand, they can be concrete, such as the production of goods and services, having material values attached to them. These are redistributed by the state, so as to realize the material needs and the welfare of a given society.¹¹ Yet, according to Easton, the processes of redistribution of the resources is not a random one, it involves "commands" that are issued by the state as the result of its mediating role between the individuals or various groups within a society, given that these resources are "scarce". Accordingly, to ensure order and obedience within this framework of allocation the state has the legitimate right to issue laws and to use force as a last recourse. According to Easton, through this process of allocation and re-allocation of these "valuable things" the continuation of a society is realized, as well as its adaptation to the changing moral and material needs corresponding to the changing requirements of specific times. Consequently, this process also involves the creation and re-generation of common values and interests within a given society, which makes it distinct from the others existing ones. This is the sustained

¹⁰ David Easton is an early twentieth century political scientist and his conceptualization of politics as the allocation of the material and moral resources reflects the political tradition of "post-Norman England" among the ancestors of which are Thomas More, Thomas Hobbes, and John Locke. As Poggi observes, "in a country protected by the sea from the direct and continuous threat of aggressive neighbors, political thought and praxis naturally turn inward", and "public controversy, the safeguarding of rights and the framing and enforcing of laws appear as the very essence of political business". In this tradition the powers and functions internal to the state to reproduce the society has been the major focus, consequently the internal dimension of the 'sovereignty' of the state over its territory was the major concern. See Poggi, Gianfranco. 1978. *The Development of the Modern State*, pp. 9-10.

¹¹ In modern societies, this is basically realized though the interplay of public revenues and expenditures via taxation. Tax collection is a crucial financial resource for the state to manage social welfare provisions.

creation of a 'common identity' conception between the citizens of the state in question, a notion of what makes "Us". However, the concept of political as the distinction between "Us" and "Others" is dealt by Carl Schmitt.¹² According to Schmitt, collectivities have both symbolic and geographic possessions. They are cultural existences within given territories, in which their identities are constituted. Yet, the underlying assumption is that each collectivity is faced with the threats coming from the inimical "others". Therefore, the ultimate function of the "political", in Schmitt conceptualization, is to set and maintain the boundary "distinction" between the societies and to protect the common identity, security and existence of a certain society against the threats coming from outside the geographical possessions of the state. Consequently, this view of politics involves that each state be permanently prepared by strong foreign security and defense strategies to be able to face the constant threats coming from the "others".

According to Poggi, these two views of politics, one concerned with the domestic dimension and the other concerned with the international one, are complementary. Accordingly, they provide a general framework upon which the nature and scope of the modern nation-state is based. Therefore, it can be drawn out from this picture that the business of the state is basically to rule, regulate and mediate the external and the internal affairs of a 'territorially bounded society', so as to secure

¹² As Poggi observes, Schmitt "restates a Continental conception, one first and most sharply articulated by Machiavelli in the sixteenth century as the operational codes of the emergent sovereign states of Western and Central Europe". In this context, the political experiences was primarily based on the "continuous threat, potential or actual, that each country poses to its neighbor's boundaries and the ensuing continuous struggle for an equilibrium acceptable to all countries involved. Under these conditions political thought and praxis necessarily tun outward, according the highest priority to diplomacy and war". See Poggi, Gianfranco. 1978. *The Development of the Modern State*.

the continuity of it by means of existential and normative decisions.¹³ By doing so, when necessary it has the legitimate and exclusive access to the means of coercion to promote domestic order and security against internal and external threats, which endanger the resources, interests and identity of the society (Poggi; 1978).

In this chapter that is introductory to the basic tenets of the modern nation-state in Western Europe so that to show how it is prompt to be reformulated by the 21st century, after this introduction concerning the general nature and scope of the modern state, as it is conceived by the early 20th century political thinkers quite before the European integration process, the principle of sovereignty and the conceptual tools to measure the strength of the state can be elaborated on this light. The fact is that, both the conception sovereignty and strength are related to this introvert and extrovert existence of the state. Indeed, the principle of the ‘territorial sovereignty’ of the states rests fundamentally on these two qualities of the state.¹⁴

1.1.2 The Principle of Sovereignty

The principle of sovereignty is used as a major pillar to identify the nature and the scope of the modern nation-state. It emerged as an attempt to legitimize the power of the state to be located within a single center and its independence from any

¹³ Existential and normative decisions implies, the processes of social, economic and political interactions whereby the reproduction of common values is realized and the regulation of these interactions by the means of law so as to provide the continuation of a given society.

¹⁴ ‘The principle of ‘territorial sovereignty’ will be furthered in the subsequent chapters of the thesis in relation to the impact of the European integration\unification processes on the state.

supranational modes of governance (Newman, 1996: 5).¹⁵ Indeed, it implies that the state has ultimate jurisdiction over the population and the resources within a delimited territory. In this respect, “a sovereign state is a political organization that has the capacity to make laws” and enforce them if necessary through its monopoly over the disposal of the means of coercion, to control policies, and to manage the “national economy that is the basis of its revenue” (Newman, 1996: 11). Additionally, it also assumes that the state is independent from and normatively equal to such other states in the international system. The evolution of the principle of sovereignty, corresponds to the historical evolution of the modern nation-state. Accordingly, the roots of the modern nation-state are traced at the heart of the Italian Renaissance. In the 15th and 16th centuries, Italy was fragmented into various city-states named “*stato*” (Watson, 1992:156-157). These were self-governing city-states ruled by princes who were backed by wealthy and powerful traders, bankers and artisans families.¹⁶ In this context new techniques of governance developed, mainly driven from the economic competition between these co-existing *statos*. This involved the attempt to crystallize power within the territories of the city-state, and to consolidate as far as possible this power through the economic and military capacities against the threats coming from other such

¹⁵ This specifically refers to the context in which the notion of sovereignty emerged as the “need for power to be located in the state and to undermine the claims of others to dispute” this supreme jurisdiction of the state “on the basis of such justifications as ancient privileges or Christian universalism.” See Newman, Michael. 1996. *Democracy, Sovereignty and the European Union*, pp. 5-6.

¹⁶ Another study relating to the city-states as the historical predecessors of the modern state is provided in Burke. He assumes that the exploration of the social, economic and political dynamics of the city-states have constituted the basis of the modern states. From Athens, Florence to Hamburg and Lubeck, he analyzes the common denominators of these cities and of the economic, social and political lives of townspeople the existence of which has endorsed the emergence of the modern state. See Burke, Peter. 1994. “City-States”. In Hall, John A, ed., *The State Critical Concepts* (Vol. 1), pp. 530-543.

polities. Nicollo Machiavelli, the major political thinker of that age, today “often regarded as the first theorist of the modern state”, in his works *The Prince* and *The Discourses* reflected the major political trends of his time (Held; 1987: 43). In his writings he tried to find an equilibrium between the powers of the state and the citizens. In this period, the revival of the ancient Greek learning permitted such a conception of the collectivity that lived in the Italian city-states. According to Machiavelli, as opposed to the Christian doctrine, there was no God given or natural principle for organizing social life but it was the purpose of politics to handle it. Politics was the struggle to power through which the societies operated. However, he thought that the human nature was selfish, therefore his main question was how to transform this human being into a political being that will set the interest of the community above his personal will. Machiavelli, through his adoption of the ‘polybian cycle of constitutions’ argued that Rome was an ideal type of government because it contained the dynamics of monarchy, aristocracy and democracy.¹⁷ He was to some extent against tyranny because he assumed that in order to secure the collectivity from the pressures coming from other communities there was a need for internal cohesion and harmony to be established through some kind of consent by the people. However, considering the actual competition and warfare between the Italian city-states he conceptualized a ‘strong state’ as one that was able to secure its community from the threats coming from outside (Watson, 1992: 158). “The necessity of an organized political force, supreme in its own territory and actively pursuing a policy of

¹⁷ The ‘polybian cycle of constitutions’ is a continuum model of ruling from monarchy to aristocracy to be followed by democracy and to return back to monarchy.

aggrandizement” (Held, 1987:47). Indeed, Machiavelli who was also arguing for the realization of the liberties of the citizens, considering the realities of the inter-city-states relations set himself closer to the monarchy end of the choices for an appropriate system of rule. Meanwhile, another aspect of the Italian Renaissance was “Humanism”, which was characterized by its substantial emphasis on the potential capabilities for self-achievement of the human being. The humanist ideals are important in the sense that they provided a ground for the diffusion of liberal spirit of inquiry undermining the doctrines of the Catholic Church.

The basic tenets of the Italian Renaissance spread to other parts of the European continent. In this period, Medieval Europe was fragmented into various localities ruled by multiple and overlapping centers of power divided between the local nobility, the clergy and the townspeople, which were unified under the authority of the Christian Church, this was the period of the feudal model of governance (Marks, 1997: 91). However, the Renaissance ideals combined with the divisive forces of the Reformation movements and the rise in economic power of the townspeople brought about new conceptions of rule. In this respect, first, the Calvinists declaration *Vindiciae contra Tyrannos* (1579) was assumed to provide a collectivity the legitimate right to resist an oppressive ruler and to legitimize the right to choose the religious community into which one will to belong (Watson, 1992: 170). Consequently, these reformist movements challenged deeply the universalistic authority of the Christian Church. Second, the townspeople mainly engaged in economic activities such as trade, commerce and banking were in support of a more centralized authority within which they could secure their

economic activities. Although, the towns had acquired relative autonomy from other competing centers of feudal power and had developed a system of 'self-governance'¹⁸, this newly emerging bourgeoisie were supporting the creation of a more unified, territorially delimited state which could impose a uniform system of law, order and administration so that to secure and to conduct effectively their economic interests and their culture against other feudal actors (Poggi, 1978: 57-58; Lipset and Rokkan, 1990: 95-96). In response to these major developments, the position of the higher territorial rulers (kings) was reinforced with regard the other overlapping feudal locus of 'sovereignty'. Consequently, the gradual concentration of power into the hands of these kings as the absolute rulers in their territories was to be legitimized. Therefore a new conception of statecraft gradually emerged in Western Europe,

The movements of trade, commerce and capital undermined dense local structures of feudalism, creating more unified, state wide national economies. The Territorial boundaries increasingly coincided with the limits within which the state could effectively impose a uniform system of law, order and administration. Trough 'mercantilism', the dominant economic doctrine under Absolutism, the state and crown assumed direct role in commercial enterprises. These states therefore increasingly acquired a 'national' character...(Hall, 1984: 7)

This was the opening of the Absolutist era, the internal dynamics of which paved the way for the modern conception of territorial sovereignty. Another related

¹⁸ This was based on a system of representation by estates. The townspeople, the clergy and the nobility came together to decide on issues relating particularly to the proper management of the land and of the economic activities, which had a translocal character. This was in fact an intermediary to confront or to cooperate with the ruler at the top of the feudal hierarchy (the kings). In this context emerged the medieval 'Parlement', which "decided everything, alone, as a sovereign. It constituted a collective governor strong in traditions, in the favor of true prince immortality". In the period, still the rule and the loyalties were fragmented, yet it was transitory to Absolutism. See Poggi, Gianfranco. 1978. *The Development of the Modern State*, pp. 36-59, and Hall, Stuart. 1984. "The State in question". In McLennan, Gregor, David Held and Stuart Hall ,ed., *The Idea of the Modern State*, pp. 4-9.

development was the external interactions between these emerging territorial units.

Followed by a series of major wars in Europe fought over the territorial claims of the rulers, the major one is the Thirty Years War, the settlement of Westphalia (1648) is the cornerstone of the modern state and the international system. It brought about the collapse of the authority of the Church, and the closing of the decentralized political power of the feudal Europe. It legitimized the “commonwealth of sovereign states”, which were assumed to have supreme power in the ruling of their internal affairs and independent from external sources of jurisdictions (Watson, 1992:186). Accordingly, the sovereign rulers drawn the territorial boundaries of their states and within their territories they were neither bound by the supposedly universal laws of the Catholic Church or that of another territorial ruler outside or inside their state, the authority of the rulers was monopolized and centralized. However, this conception of sovereignty remains different from the contemporary notion because it was primarily perceived as the faculty of the personal ruler. Consequently, only a premature conception that ‘sovereignty belonged to the people’ over whom the power was exercised emerged (Newman, 1996: 6-7). Another ambiguity, concerning the practicability of such an understanding of sovereignty, was that the sovereign states were assumed to have juridical equality but they were inevitably in a state of hierarchical equality in terms of their power relationships. This is in fact an issue that conserves its actuality in our global society, hypothetically, even if the assumed equality of the members belonging to a specific nation-state is realized in

practice there comes the problem of achieving real equality between the different societies existing across the international system. Nevertheless, the concept of political equality of the states, as brought about by Westphalia, is central to the definition of the modern nation state.

In this respect, the Settlement of Westphalia, in 1648, was aimed at setting clear cut geographical boundaries with regard to the area over which each and every ruler were entitled to rule so that to put an end to the previous wars. In other words, each ruler acquired the right of jurisdiction over a territorially bounded state within which they were recognized as the only source of authority to manage the internal and the external relations of the community and to control the resources which were confined to this territory. This was the first path towards the emergence of the modern nation-state and the consequent formation of interstate system. Indeed, the framework of the Westphalian model, as underlined below, legitimized the modern state system,

(1) The world consists of, and is divided into, sovereign territorial states which recognize no superior authority. (2) The processes of law making, the settlement of disputes and law enforcement is largely in the hands of individual states. (3) International law is oriented to the establishment of minimal rules of coexistence; the creation of enduring relationships among states and people is an aim, but only to the extent that it allows state objectives to be met. (4) Responsibility of cross-border wrongful acts is a 'private matter' concerning only those affected. (5) All states are regarded as equal before law: the legal rules do not take account of asymmetries of power. (6) Differences among states are often settled by force; the principle of effective power holds sway. Virtually no legal fetters exist to curb the resort to force; international legal standards afford minimal protection. (7) The minimization of impediments to state freedom is the 'collective priority'. (Held and et. al, 1999: 37-38)

Therefore, the right of each state to act independently and autonomously with respect to such other state was legitimized and enforced by the mutual agreement of each state making up this newly emerging interstate system. In this conceptualization, as Held mentions (1999:38), “States were conceived as ‘separate and discrete political orders’ with no common authority to shape or curtail their activities”. Therefore, as Morris claims (1998:224),

A “sovereign” is the unique ruler of a realm, whose sphere of authority encompasses the whole realm, without overlapping that of another ruler. This “sovereign” initially the monarch, later the state, then “the people” – rules without superiors”. With the development of sovereign states, the central elements of the modern state system are present. “International relations” are the relations between independent states.

Indeed, as demonstrated, this principle has two dimensions; the state acquires both supreme governance in its territory and independence of action from other states in the system. In this context, it is important to clarify that in terms of the conduct of its domestic affairs, the effective use of the granted autonomy of a state depends on its capacity to set the rules independently from the social forces and other agencies within and outside its realm (Held, 1999:37). This is related to the strength of the state in terms of its capacities to meet the moral and material expectations of the community over which it has the legitimate right to rule and its relative autonomy to set the rules to meet its objectives. In this respect, both the issues of sovereignty and strength of a state will become much more complicated throughout the evolution of the international society of states. These will be touched upon in the forthcoming exploration of the evolution of the European Union as a newly emerging regional form of governance. Yet, it is important to

clarify two important legal issues to be explored latter in terms of the jurisprudence of the European Communities. As Held mentions (1999:38), this emerging Wesphalian model also implied the 'immunity from jurisdiction' and 'immunity of state agencies', the former means that "no state can be sued in the courts of another state for the acts performed in its sovereign capacity", and the latter "should an individual break the law of another state while acting as an agent for his country of origin and be brought before that state's court, he is not held "guilty"...". Thus, the states were independent to pursue their interests and no 'supranational courts' were permitted to rule on their behavior.

The era of Absolutist rule proved to be very crucial for the development of the conceptions of statehood and nationhood associated with the feelings of belonging to a specific nation and the consequent loyalty to the state within the territories of which that specific nation was situated. The very fact of being enclosed into a territorially bounded state, where the affairs of the community were directed from one single center of rule aiming at implementing a uniform sets of rule and shape the society into having common values this seems to be inevitable. The state had a standing army, a single market, a centralized bureaucracy, and a centralized system of education, single set of taxation and codified rule. All these elements combined together provided a centralized administration through, which the state could consolidate its power internally and adopt strong foreign policies against other sovereigns. It is in this context that the ideals of Enlightenment, in the eighteen century, also characterized as the age of reason and balance, flourished (Watson, 1992: 200-201). The main point that concerns this study is the

contribution of Enlightenment to the development of the distinction between the will of the state and the will of the absolute ruler. In this period, the bourgeoisie, especially in France, improved its economic conditions and was in the quest of a form of government where it could be enabled to exercise political authority. The intellectual debates in the search of a more enlightened system of rule which would respect the principle of the 'rule of law' emerged in this context. Yet, still the notions of 'state sovereignty' and 'legal sovereignty' were not directly connected to the democratic ideals of 'popular sovereignty', which was to be developed more comprehensively in the works of Jean-Jacques Rousseau and in the ideals of the French Revolution (Newman, 1996: 6). In these conceptions, the state and the people came to be identified with one another in the conceptualization of 'popular state sovereignty'. This was a first step in the evolution of the notion of 'national sovereignty'. Another source of influence that led to the establishment of the principle of 'sovereign nations', was the English model of 'Constitutional Monarchy' where the people were assumed to be the partners of the King in terms of the decisions made in the state. This was an early form of the liberal-democratic tradition whereby the idea to establish "democratic institutions through which the citizens may express their political demands and preferences" where the power could be divided between the executive, legislative and the judicial organs "to decentralize the responsibilities within the state, while maintaining the national sovereignty" (Newman, 1996: 8-9). As a result of the combination of all these factors, the break of the French Revolution in 1789 symbolizes the transfer of sovereignty from the absolute ruler to the nation living within the territories of the modern state. The French revolutionaries with the

“Declaration Des Droits De L’Homme Et Du Citoyen” asserted that the conception of sovereignty was legitimate only to the extent that the state was a mechanism of self-rule of the citizens. The consequent developments with regard to the sovereignty principle of the modern nation state in western Europe, are concerned with the efforts to consolidate the ideas and ideals set forth by the French Revolution. In this context, the notions of nationalism and democracy were intertwined. The modern conception of the nation-state involves a double construct; the ‘nation’ and the ‘state’. Accordingly, ‘nations’ can be defined as “cross-class collectivities which share a sense of identity and collective political fate on the basis of a real, imagined and constructed cultural, linguistic and historical commonalities” and ‘nationalism’ as “both the emotive allegiance of individuals to that identity and community, and the political project of acquiring a state in which that nation is dominant” (Held, 1999: 48). In retrospect, the processes of state-building, which basically was launched by the Westphalia Settlement, more or less enforced the reduction in socioeconomic and cultural differences between the peoples living within the geographical boundaries of a given state, but in the meantime increased their consciousness of being different from such other collectivities of people situated beyond the territories of their state. Although the processes of ‘state building’ and ‘nation-building’ varied across Europe, the general trend was an attempt to stimulate a centralized sovereign regime of rule within a territorially delimited geographical space, and reciprocally, in this period, the waves of ‘nationalism’ endorsed this centralized power of the state. As Marks (1997: 89) mentions,

The overall direction of power redistribution and the locus of power creation in the process of state building from the thirteenth to twentieth centuries was towards the center. The monopolization of legitimate

authority, the creation of a secular hierarchical system of justice the deepening and widening of taxation all pressed decision-making towards the national level. This development was greatly intensified with the rise of nationalism across Europe and the identification of centralized education, provision of welfare, and control of various sectors of the economy with the interest of the nation as expressed by the state.

Accordingly, in the European context, the formation of state identity and national identity were intertwined and they were the outcomes of specific historical circumstances. Consequently, it is important to remind that sovereignty, which initially was exercised by the monarch, gradually came to be exercised by the 'state' and by the 'people' (Morris, 1999: 224) . In this context, on the one hand the people are assumed to have an emotional loyalty to their nation compounded with a feeling of belonging to the common identity of that nation. On the other hand, they are legally bound to the identity of their state through the status of citizenship, which empowers them with the right to participate in the political decision-making processes in their nation-state. In other words, the bridge between the individuals making up a political community and their respective nation-state is built through their citizenship and national identities. In this context, as Held mentions (1999: 46), "the modern nation-state has acquired a particular form –its main variant has crystallized as *liberal* or *representative democracy*". Accordingly, the 'people' or the 'nation' is supposed to exercise sovereignty through the institutions of liberal democracy. Moreover, this constitutes also the mechanisms through which the political community formulates its 'common good and values' and the subsequent 'common interests'. Consequently, this also provides a platform to construct or re-construct the collective identity of the community. In other words, this involves a process of

identification with the 'fate' of one another within the collectivity through which the construction of common interests are intertwined with the construction of a common identity (Weldes, 1996; Wendt, 1994:386). Additionally, an effective democracy transcends the basic cleavages existing in a given society; while it can result in the share of the political power by the 'many', it should not exclude the representation of the 'few' (Rueschmeyer and Stephens, 1992:44). It is crucial that all the constituent parts of a collectivity participate in the construction of its legal framework. Participation to the decision-making processes is important because it involves social and political interaction for the definition and re-definition of collective values and interests, and the consequent construction of collective identity. Therefore, the extent of participation in the 'constitution' will be reflective of the extent of feeling of belonging to that specific community. As Held mentions (1999:48,49),

In the contemporary world the key principles and practices of liberal democracy remain associated almost exclusively with the principles and institutions of the sovereign nation-state. Further, modern democratic theory and democratic politics assumes a symmetry and congruence between citizen-voters and national decision-makers. Through the ballot box, citizens-voters are, in principle, able to hold decision-makers to account; and, as a result of electoral consent, decision-makers are able to make and pursue law and policy legitimately for their constituents, ultimately the people in a fixed territorially based community...the modern system of democratic nation-states can be characterized by...the entrenchment of accountability and democratic legitimacy inside state boundaries and the pursuit of national interests (an maximum political advantage) outside such boundaries; democracy and citizenship rights for those regarded as 'insiders' and the frequent negation of these rights for those beyond their borders.

Therefore, the political community through the mechanisms of liberal democracy builds a legal framework, which sets the rules and regulations to organize the

social, economic and political life within a territorially bounded state and traces the limits of its collective identity.

The nation had acquired the legitimate right to rule or at least to determine their rulers. This was determined as the basic rights of the citizens, and such a system of self-government through representation was defined as democracy. Therefore democracy emerged as a system of rule in which the 'nation' became the citizen of the state and acquired the legitimate right to lay down the rules. Accordingly, democracy assumed that the nation ought to be sovereign and that the most natural form of the state was one composed of a 'single people' with a 'single national character' in possession of an 'independent state' (Watson, 1992:245). Therefore, "the artful combination of space, people and resources in territorialized containments and the policing, monitoring and disciplining of the population within these spaces became the manifestation of state sovereignty" (Axtmann, 1998: 6). However, the contemporary forces of the globalization process are challenging more than ever this assumed and accepted as legitimate notion of sovereignty of this modern nation-state, "these distinctions themselves no longer appear so clear-cut as political globalization itself has encouraged the growth of global politics" (Held, 1999: 49). A point to which the study will return back while discussing the relationship between the globalization process and the modern nation-state,

At the end of the nineteenth century the European institutions were spread all around the globe. During this period "the Europeans brought the whole world for

the first time into a single net of economic and strategic relations” (Watson, 1992:265). The major contributor to this development was the high degrees of scientific and technologic innovations on the European continent backed by the sustained economic growth and followed by the Industrial Revolution. As it was clarified, a major reason for this was the availability of the modern nation-state as a system of governance for the economic interests of the middle-classes in Europe. That is to say that, it was favorable for the accumulation of capital and industrialization of the country. The economic power that the Europeans acquired also translated itself into the military power. By the end of the 19th century, the overseas colonies that the Europeans possessed, other Asian empires with which they were in contact, and the Russian and Ottoman polities were under the influence, and even more under the hegemony of the western European states that tried to reform their states on the European model. Therefore, we can assume that this was the first step in the globalization of the European modern nation-state as a system of rule, and an era of Europeanization of the world (Axtmann, 1998: 7; Watson, 1992: 265).

1.1.3 The Strength of the State as Measured through the Interplay of its Autonomy and Capacities

In this section of the study, and before going into an analysis of the contemporary challenges to the modern nation-state, some significant remarks about the nature and scope of the modern nation-state remains to be made. This is related to the strength- as measured by the autonomy and capacities of a given state (Migdal, 1987; Nordlinger, 1987). The relative independence of the state from the internal

and the external forces is an integral part of the state autonomy. And, the capacity of the state is the extent to which it can meet the demands and expectation of its population through the effective and efficient use of the resources at its disposal. The legitimacy of a given state is highly dependent upon these factors, they are important sources of social support . In other words, a 'strong state' is assumed to rate high in the effective and efficient management of the resources.

In the post-world war period the emergence of the international institutions, basically the UN in its Charter (1945), legitimized furthermore the principle of sovereignty of the nation-state. However, an additional factor was the revival of the notion of Human Rights in all its universality and the duty of the state was mainly conceived as the provision of these rights to its citizens. Additionally, the Western European states after experiencing the horrors of the total wars were mainly concerned with the achievement of a 'Working Peace System'. The main concern in this period was to promote a peaceful environment for the European society of states and to reconstruct the economies of Europe. Consequently, at this period the state was conceived mainly as being in the service of its citizens to remedy the illnesses caused by the wars. Partly, because the ruling elite backed by the industrial capitalist class felt themselves responsible for the break of those major wars. Since, the total wars broke mainly because of the struggle over economic and territorial gains between those European nation-states and at that period still the access to the means of communications – very important to mobilize a nation for specific aims and goals- resided mainly in the hands of the rulers and the dominant classes. Yet, mainly because it was in the interests of the

ruling elite to reconstruct Europe, and to promote social welfare in the face of the rising threat of communism coming from the Soviet Union. Therefore, in the period between 1950s and mid-1980s the specific emphasis was on the duties of the state with respect to its citizens (Poggi, 1999). The emergence of the Keynesian welfare-state, in which the state was supposed to promote public services -such as health, education and unemployment wages- so as to realize a more just allocation of resources within the society, goes back to this period (Hall, 1984: 9-14). Following this period, many scholars wrote about the conception of the strength of a given state. Skocpol (1987), Migdal (1987), Nordlinger (1987), Huntington (1987) and are among those who brought the question of autonomy and capacities of a given state back into the scene. Accordingly, the strength of a given state is defined mainly by the interplay of two variables that are autonomy and capacity. Consequently, a state is autonomous to the extent that it can formulate its own preferences into policies, without being dependent on any external or internal forces, i.e. without acting as the instrument of specific interests. Therefore, the extent to which the state is capable of such autonomous policy formulation is one of the determinants of its strength. In theory, the state is supposed to have such strength. When it comes to the question of capacities it is the extent to which a state is able to solve the problems it encounters and to meet the moral and material needs of its society and obtain its support in return. Thus, the conception of a strong state, beginning from the second half of the 20th century began to be related to the extent of its being autonomous, capable and supported by the society at large. However, as it will be demonstrated the contemporary

Integrative and fragmentary forces within the global system have been undermining the strength of the state.

1.2 The Contemporary Challenges to the Modern Nation-State

The Second World War and the collapse of the European system of states paved the way for a gradual reconstruction of the international system. The major events of the post-war period can be outlined as follows; the trend towards political and economic integration in Western Europe, the cold war between the two superpowers: USA and SU, the decolonization processes in the Third-World, the rise of the 'new-right' policies to replace the policies of the welfare-state, the disintegration of the SU, the emergence of organizations aiming at regional cooperation mainly on economic and security issues, the unprecedented booms in science and technologies, and the emergence of Non-Governmental Organizations and a variety of alternative agencies through which civil society or individuals are operating to influence the global politics. All these developments when explored in greater details are the historical events that have connected the population of the world to each other. The contemporary notion of globalization, are largely associated with these historical conjunctures, yet when it comes to define the processes of globalization a wide range of theoretical and empirical debates are going on about the shape of the emerging global politics.¹⁹ However, a general understanding of globalization can be drawn out.

¹⁹ Two recent works on 'globalization' are important in terms of their contribution to develop an indepth understanding of the processes of globalization. See Held, David and et al. (eds.) 1999. *Global Transformations: Politics, Economics, and Culture*, and Axtmann, Roland (ed.) 1998. *Globalization and Europe: Theoretical and Empirical Investigations*.

Globalization appears to be a process where opposite trends are clashing with each other. To put it somewhat differently, globalization involves a set of clashing concepts co-existing side by side, however they are not as exclusive that they may appear. Heterogeneity vs. homogeneity, differences vs. sameness, North vs. South, traditional vs. modern all seem to hybridize to shape the globe (Pieterse, 1994). In this context an additional dichotomy is that the forces of the globalization appears to operate in two major ways; the increasing global interdependence, the integration and the centralization tendencies that the process itself is creating, are unfolding together with correspondent fragmentation, decentralization, and regionalization (Axtmann, 1998; Sassen, 1996; Watson, 1997). Another aspect of the globalization process, is that it also involves the "posts" concepts; postmodern, postindustrial, postcapitalist, postsocialist, postinternational is among such new concepts (Rosenau, 1990:6). This is because, as the thesis proposes, these intertwined processes of globalization stimulate considerable transformations on the Westphalian state, as explained in the first section the basic internal and external politics are conducted.

The era of globalization, to begin with the fall of the communist bloc, is understood as an "era of dense and ever increasing inter- and trans-national political, economic and cultural interdependence" (Axtmann, 1998). Therefore, the localities around the globe are in an increasing network of economic, political, social and cultural interaction with each other. People, places, capital, goods and services are globally interconnected. Even more, the problems that societies are facing are also globalizing; the danger of the nuclear weapons, the need for the

protection of the environment, the practicability of the human rights, and health risks, drug traffics, immigration issues. The international system is face with the emergence of an informed and publicly concerned global society, against all its diversity (Rosenau, 1990). At the forefront of all this newly emerging patterns of interactions, lie economic transformations and technological innovations in transport and information services. As a result of these processes, there is a reconfiguration of space and time related distances. Therefore the “associated notions of “here” and “there”, “far” and “near”, “outside” and “inside”, “home” and “away”, “them” and “us”” are becoming problematic, thus the identification of boundaries are becoming difficult. In this respect, the place of a given location is becoming less important than whether this location is connected to the global society or not (Axtmann, 1998:5). However, while the states and the societies are linked together by the economic and technological mechanisms of the globalization process, a counter trend is observed. This is the rise of the local existences that are cross cutting their states of origin to relate themselves to the global networks for economic, cultural or social purposes; such as achieving high levels of economic growth, assertion of their distinct cultural traits, or to mobilize support for the protection of the global environment (Cvetkovich and Kellner, 1997) . Another aspect to be emphasized in respect to globalization, and one of the most problematic one seems to be the uneven economic development that is becoming more and more visible. This is creating considerable tensions especially in terms of the North/South axis. Additionally, the reactions of the disadvantaged interests within the North axis itself, as the recent demonstrations in Seattle (2000) against the WTO proves it, are also becoming problematic. According to

Held (1998), Watson (1997) and Axtmann (1997), these problems are exceeding the scope and nature of the modern nation states and a kind of “global governance” should be structured, for instance within the UN, so that the global society solve these problems collectively. However, viewed from another perspective, according to Resnick (1998), the visions for the establishment of a global democratic governance are rather founded on idealistic assumptions given the socioeconomic disparities and the diversity of interest that would be involved in the constitution of such a system of governance.

In fact from the very combination of the conception of the modern nation-state and the contemporary notion of globalization we can conclude that the globalization process is pushing for a reformulation of the modern nation-state. It is a process undermining the sovereignty and the strength of the modern-nation state. According to Watson (1992), legitimacy has a lubricating role in the functioning of both domestic relations and international relations. However, he argues that in the contemporary state of the global relations, an alternative form of legitimacy is required. To put it somewhat differently, the legacy of the past that is the acceptance of the modern nation-state as the legitimate sovereign unit should be reconsidered so as to discuss the legitimacy of the alternative structures involved in the decision-making process of an ever globalizing world. Such alternatives are the supranational organizations, international organizations, NGOs, multinational global companies, local political actors, individuals and other such emerging politically active units in the global politics (Held, 1998; Rosenau, 1990). Therefore, Watson argues that some major problems of the

current era are that the legitimacy of the past is lagging far behind the actual practices of rule. Consequently, this proposition can be considered as among the challenges that the forces of globalization direct to the legitimate sovereignty of the modern nation-state. Because, there now emerges 'postinternational' actors that are challenging the traditional conceptualization of the sovereignty principle of the modern nation-state (Rosenau, 1990).

As it was explained in the preceding sections, at the very foundation of the modern state resides the "artful combination of space, people and resources in territorialized containments" and the state sovereignty involves the business of rule over this given territory (Axtmann, 1998:6). The sovereignty also involves the non-interference in the internal affairs of the state from external forces. However, the emergence of the supranational institutions, the foreign investments across national boundaries and the networks of communications are challenging the practicality and the premises of sovereignty and territoriality of the nation-state (Ruggie, 1993; Rosenau, 1999). Another impact is the increasing importance the global community is attaching to the exercise of the human rights in the world, this is an issue that is transcending the sovereignty of the nation-state (Dower, 1998). Additionally, the claim of being composed from a single nation and the aims to uniformity in society seems to be no more realistic, given the fact of an ever increasing movement of migration added to the reality that the societies from the fact of being connected to "others" are no more uniform (Rex, 1998). Technological innovations have already created a space for the freedom of action of the immigrant communities, they are enabled to organize themselves into

powerful collective political actors both in their homelands, host nation, and in the global society (Axtmann, 1998:59). This process is realized through the use of internet and transportation services and the mass media. A final challenge to the modern nation-state is the increase in importance of the local existences as autonomous political units, most of which are now pressuring the state, in order to acquire more autonomy (Rosenau, 1999). Therefore taken together, both the fragmentary forces and the forces of integration of the globalization process are challenging the principle of the sovereignty of the modern nation-state. Another related challenge of the current wave of globalization is that it is undermining the strength of the modern state. As already mentioned, in the face of global problems there is a requirement for the active participation of more than one global actor in their solution. Therefore the states' capacities, to provide the moral and the material needs to their citizens without co-operating with a wide range of postinternational political actors, is undermined (Rosenau, 1990; Axtmann, 1997).

According to the framework of Watson (1992) on the working mechanisms of the international system, "propensity to hegemony" is always accompanied with "propensity to independence".²⁰ Therefore throughout history and according to the corresponding systems of rule the international society was constantly experiencing this dichotomy. Therefore, in terms of the international society, the fact that the integrative forces are faced with corresponding fragmentary forces in the system is not a recent in the international system. However, the novelty lies in the speed with which these forces are operating, and the fundamental restructuring

²⁰ In his work, Watson is mainly studying the "European society or system of states". See Watson, Adam. 1992. *The Evolution of International Society: A Comparative and Historical Analysis*.

of the conception of the modern nation-state they are pushing for. In the European context, the emergence of the EC\EU as a supranational organization is embedded in the process of globalization, and the EU has considerable impact on the member states. The integrative forces of the supranational mechanism are complemented by the fragmentary forces of the localities to exercise a double pressure on the modern state. In the following chapter the aim will be to deepen the study of the state and its reformulation processes by focusing on the relations between the EC\EU and the member states. It is important to note that the internal structures of these states varies and their responses will be different, they are effected by the processes of European integration\unification at different degrees and at various levels. Yet, even if at varying degrees and levels they are all subject to the transformations that the integration process bring about.

CHAPTER 2

THE EMERGENCE OF THE EUROPEAN UNION AS A POST-WESTPHALIAN ACTOR

2.1 “Visions of a United Europe”²¹: As Historical Consequences of the Westphalian State?

The visions of a united Europe can be traced back to the very distant past of the continental European history. A contemplation throughout the history of the European continent unveils the shadow of numerous wars fought over the ‘Enlightened’ lands. From the Peloponnesian War throughout the “struggles between monarchs, princes, and barons over the domain of rightful authority...; religious strife and the challenge to the universal claims of Catholicism”, and to be followed with the Italian city-states fighting over economic resources, Europe experienced many wars (Held, 1999:35; Watson, 1992).²² There was always a tendency to unify European realms under one hegemony or another (Watson, 1992:252). In this context, the settlement of Westphalia (1648), was aimed at setting clear cut geographical boundaries with respect to the realms over which each and every rulers was entitled to rule in order to conclude the era of wars

²¹ This heading is quoted from Neilsen, Brent, F. and Alexander C-G Stubb, (eds.) 1994. *The European Union*.

²² This is a war fought in Ancient Greece between the city-states of Athens and Sparta (431-404 B.C)

fought over territorial claims.²³ Consequently, each ruler acquired the right of jurisdiction over a territorially bounded state within which they were recognized as the sole source of authority to rule the internal and the external relations of the community and to control the resources that were confined to this territory. Accordingly, this Westphalian order set up the principles of territorial sovereignty. Therefore, the right of each state to independent action with respect to such other state was legitimized and enforced by the introduction of the Westphalian settlement, among these states making up the newly emerging interstate system in Europe. This was a major historical conjuncture for the emergence of the modern nation-state and the consequent formation of international system.²⁴

To follow the logical sequence, the division of Europe into territorially confined nation-states did not translate itself into a European society of peacefully coexisting states. Indeed, by the process of territorial state building, the social, economic and cultural differences within states were reduced and the differences among these political entities, living in 'territorially confined spaces' increased (Held, 1999:36; Poggi, 1978; Watson, 1992). The communities living under the same jurisdictional domain, in most of the cases and specifically against such other communities, identified themselves with their fellows living in the same spatial organization and supposedly sharing a common faith. As described in the

²³ The framework of the Westphalian settlement is already explained in details in chapter 1.

²⁴ This is important in terms of the time and place were the basic premises upon which the modern nation-state is founded. In terms of comparative politics, it is in the same European landscape that the EU emerges as a new system of governance.

preceding chapter, a growing sense of collective identity among the people living in territorially confined spaces was further highlighted with the gradual flux of the ideas and ideals of the Enlightenment and the French Revolution. This was part of the processes of consolidation of the modern nation-state, in which the principle of the rule of law, the waves of nationalism and the claims for democratization were intertwined. It followed that 'sovereignty of the people' implied that the only legitimate state was based on and expressing the will of a particular kind of collective entity, namely the 'nation' through the mechanisms of emerging democratic institutions (Watson, 1992:240).

As a matter of fact, at the edge of the 20th century, the forces of nationalism and democracy had a fragmentary impact on the international system of states, and mainly because the idea of "sovereign exercise of the popular will" implied for the 'sovereign states' acquiring legitimately more independence and freedom from external restraints (Watson, 1992:245). In other words, national governments, through democratic institutions, were held accountable to their citizens only. The liberal democratic citizenship rights were only accorded to the 'insiders' of a particular political community and denied to its 'outsiders' (Held, 1999:49). Consequently, the intertwined processes of 'state-building' and 'nation-building' by the mid-17th century resulted in underlining the differences of identities between the nation-states in Europe.²⁵ The outcome was the intensification of the

²⁵ As mentioned by Keyman, "the state constitute not only the "sovereign place within which the highest internal laws and policies are enacted and from which strategies toward external states and nonstate people proceed," but also, "the site of the most fundamental divisions between inside and outside, us and them, domestic and foreign, the sphere of citizen entitlements and that of strategic responses". See Keyman, Fuat. 1997. *Globalization, State, Identity/Differences: Toward A Critical Social Theory of International Relations*.

competition between the faiths, identities and interests of different national political communities on the European continent, which increasingly identified each other either as 'friend' or as 'foe'. Taking place on the European continent, the consolidation processes of modern (liberal democratic) nation-states were paralleled by the imperial conquest of overseas colonies by the competing European 'powers'. At the edge of the 20th century, competition over the territories and resources of these colonies became a major source of conflict among the European nations (Watson, 1992). Additionally, the advent of the Industrial Revolution and the consequent improvements in the warfare technology intensified the struggle for power in Europe. In this period, the economic policies of European states were characterized by high degrees of protectionism against each other (Karluk, 1998). The states were competing to maximize the power and the welfare of their respective nations. The only function of state action was national interest consideration. Consequently, as it was in the age of Machiavelli, this time every means were legitimate as long as 'national sovereignty' principle applied. The escalation of the tension reached its peak with the respective late-unification of Germany and Italy.²⁶ This was due to the fact that the 'Balance of Power', agreed upon after the Napoleonic by the Vienna settlement (1814-15), was broken down by the emergence of two powerful nation-states in the European state system (Watson, 1992). All these historical developments combined with the forces of nationalism paved the way for the World War One and World War Two. These wars were classified as 'Total Wars' because the intensity and extensiveness of their nature and scope were devastating for the European

²⁶ This refers to the national unification and their establishment as nation-states in the European international system, Germany in 1881, Italy in 1871.

political, economic, social and cultural landscape (Poggi, 1990: 112). There was an emergent need to reconstruct socio-economic and political landscape of Europe. It is then from the ruins of the 'Total Wars' that the idea of a *Union Européenne* concretized.

Two major lessons, relating to the establishment of a 'working peace system', were drawn from the history of warfare in Europe.²⁷ To begin with, there was always a double tendency in Europe, either toward 'hegemony' or toward 'multiple independence', which in both cases resulted in major wars on the Continent.²⁸ To provide an illustration, the universalistic claims of the Catholic Church were followed by religious particularism, the commitment to independent action from the part of the nation-state was followed by the 'total wars'. Thus, both cases resulted in the escalation of the tensions between the actors making up these systems. In retrospect, though providing a foundation, visions to establish a peaceful unity among the nations making up the European continent remained as failed attempt on the parts of the intellectuals and statesman in Europe. On the one hand, Kant, Voltaire, Hugo and many other intellectuals were writing on their visions of a 'Grande Republique' to be established on the European lands. On the other hand, international arrangements were agreed upon between the statesmen aiming at establishing a 'balance of power' on the Continent. The 'Concert of

²⁷ The notion of 'working peace system' in Europe is basically drawn from the work of David Mitrany (1966). It refers to the basic aim of his 'functionalist theory', which is an attempt to construct a framework to stimulate "a transformation of the way people think about international relations" and essentially for "the prevention of war". See Nelsen F. Brent and Alexander C-G Stubb, (eds.) 1994. *The European Union*, pp.77-97.

²⁸ The framework proposed by Watson to analyze the European system of states is explained in chapter 1.

Europe', the 'League of Nations' (1919), among many others, were failed attempts to promote peace and stability in Europe (Watson, 1992: 240; Nugent, 1999: 5). The major reason was that they were either too flexible or too rigid to be able to adapt to systemic changes, and it followed that '*raison de system*' and '*raison d'etat*' were always in conflict (Watson, 1992).²⁹ To prevent the wars in Europe required the formula of a 'working peace system' (Mitrany, 1966).

The second lesson concerned the inherent power struggle, which was taking place between Germany and France over the domination of the European territories. This issue required a sustained resolution in order to eliminate one of the major sources of polarization in Europe. One of the main reasons for the conflict was the territorial claim over the region Alsace-Lorraine where coal and steel were the main resources. In this period, coal and steel were the backbones of industrial development. In addition to this, the inter-war period had informed that Germany was to be contained and kept in the post-war restructuration projects that were envisaged for Europe (Kennan, 1969: 477). After the defeat in the World War One and the subsequent Versailles Treaty (1918), popular resentment in Germany reached its peak. According to the Versailles Treaty, Germany had to demobilize its national army and to pay a great amount of war indemnity to the victorious powers. Additionally, Alsace-Lorraine was back under French jurisdiction and some other German territories were lost. Consequently, the German nation was left to its own devices with a nearly collapsed national economy and national defense capabilities. Versailles was perceived as a '*Diktat*' unfairly imposed on

²⁹ This is very important in order to understand the historical experience upon which the project of European unification is launched.

the German nation. This in turn paved the way for the appeal of 'National Socialism' and the subsequent emergence of the 'Totalitarian Third Reich' regime, the militant objective of which was to revenge the consequences of the World War One and bring the European lands under its dominion (Watson, 1992:285, Kennan, 1969: 439-440). The consequence of the rise of fascism, as the far extreme mode of nationalism, was the total destruction of the European system.

In the aftermath of the first world war, Cont Kalergi, has launched the 'pan-European' project yet, it was only after the Second World War that the idea acquired much more meaning to the Europeans (Salmon and Nicoll, 1997: 6-20). The historical experiences of the 'Total Wars' are of major importance in terms of the actualization of the European integration movement. It was now clearer that recourse to military means was not the relevant method to deal with 'differences' (Nugent, 1999: 6). As a result of experiencing these major wars at the opening of the 20th century, in Europe both the public and the statesmen wanted to see the reconstruction of a peaceful Europe. As Watson mentions (1992:282), "They wanted to move away from the perils of uncontrolled multiple independences towards a tighter system, and especially to 'outlaw war'". Therefore, one of the major targets held responsible for war in Europe was the fragmentary forces of the independent nation-states in the European society of states. There had to be a workable solution for the demise of the 'anarchical system of sovereign states'. And, a way to integrate both the winners and the losers of the war in to the new solution –especially to provide Germany a

“comfortable place” in the forthcoming European framework. As Kennan mentioned (1969: 477-478),

To leave Germany to continue to realize her national ideals and aspirations within the sovereign national framework would inevitably lead to a repetition of the general sequence of development that had followed Versailles settlement; only some sort of European federation could provide for Germany a place in the European community that would be comfortable and safe for everyone concerned.

Other political and socioeconomic developments, in the early post-war period were decisive in terms of the solution agreed upon for the reconstruction of Europe. First, the global power of Europe had collapsed by the end of the Total Wars. Second, the emergence of the Soviet Union as a Communist bloc, and its acquisition of the East Germany, Central and Eastern European countries, and finally Czechoslovakia, paved the way for a bipolar system where the United States was placed at the other end of the spectrum. In this context, both for the United States and for Western Europe there was a pressing need to reconstruct the social, economic, political and cultural landscape of Europe, and to reassert its place in the international system (Dinan, 1994:16). In this respect, the states in Western Europe were resolved that they had to construct an ‘ever-closer’ system of cooperation among their nations to achieve the reconstruction process in the post-war era.

2.2 The Architecture of the European Unification Project

The period from 1949 to 1952 was basically devoted to the architecture of the post-war European order, for the reconstruction of the European economic, social, political, and cultural landscape. The post-war period is marked by the foundation

of numerous international organizations, and most of them were aimed at establishing effective cooperation networks among the nation-states. Today, most of the international organizations founded after the Second World War are still actively working: the United Nations, the Organization for Economic Cooperation and Development, the World Bank and the International Monetary Fund, the North Atlantic Treaty Organization and the Council of Europe and the European Court of Human Rights. All these organizations are designed to be international in nature, they are founded through agreements among the member states. Although the members are expected to conform to the norms set by these organizations, each member state preserve its sovereign rights. As already mentioned, the origins of the EU dates back to the same period when all of these international organization were founded. Yet, as it will be elaborated in the subsequent parts of this thesis, as early as the concretion of the unification project by the establishment of the European Coal and Steel Community, the unique nature of this newly emerging organization was made clear. As observed by Nugent (1999: 23), the contracting parties,

were the first to show a willingness to go beyond the cooperative intergovernmental ventures...not without reservations, each took the view that the benefits of integration, as opposed to just cooperation, would outweigh what appeared to be the major disadvantage –some loss of sovereignty

As a builder of post-war order Churchill (1946) appealed to establish a “United States of Europe”, in which the fates of the sovereign nation-states would be closely knit to each other so as to construct a ‘family of nations’, and the project for establishing ‘unity’ in the European continent speeded up (Salmon and Nicoll, 1997: 26). In this context, a framework for establishing a ‘supranational

organization' in Europe emerged. It was designed to be different from the traditional 'international organizations'. It would have the authority to engage in activities which cut across national boundaries and it would include agencies "with power to make decisions at a level above that of national governments" (Dinan, 1994:2). Indeed, the project prescribed that the member states would no longer be the exclusive locus of power within their own borders. As mentioned in Held (1999: 74-75), based on a later European Court of Justice notice,

by creating a Community of unlimited duration, having its own institutions, its own personality...and, more particularly, real powers stemming from a limitation of sovereignty or a transfer of powers from the States to the Community, the member States have limited their sovereign rights

Additionally, the framework, at least in its earlier stages, was also to be different from a 'federal state' because it was rather designed to be a network of states pooling their sovereign rights by a 'stage by stage' process.³⁰ This implied that the constituent states were not yet ready for a radical political unification, considering the diverse nations involved in the process. Accordingly, the members constituting the organization would transfer amounts of their sovereign rights to its institutions, and consequently share their jurisdictional domains with it. As such, the emerging unity in Europe was intended to be both different from the classical international organizations and the classical federal state, it was designed to be supranational in nature and scope. The organization had to be neither too rigid nor too flexible. It was intended to act over and above the nation-states, and

³⁰ As it will become clearer in the following parts of the thesis, this implies that the member states are not supposed to realize political unification all at once. Indeed, 'stage by stage' process refers to the 'spillover', this implies that the unification will start from a sector to spread into other sectors. A Federal state, as in the US model, requires a central government, thus a Federal state can be a last step of political integration.

to represent the interests of the community making up the organization. Yet, it should also have the capability to incorporate the individualistic national interests of the member states and to adapt to the systemic changes. Almost outlined as such the framework was perceived as the gateway for sustained cooperation among the European nation-states, and was adopted as a suitable design for the reconstruction of Europe in the post-war era.

Jean Monnet (1943) was the main architect of the EU project, as the head of the French economic planning office, he declared that peace would not be the rule in Europe “if States reestablished themselves on the basis of national sovereignty with all that this implies by way of prestige politics and economic protectionism”. Instead, he suggested that “the States of Europe must form a federation or a ‘European entity’, which will make them a single economic entity” and leave the adoption of “defensive positions” (Salmon and Nicoll, 1997: 21; Dinan, 1994: 11). The European unification “movement” was then launched, and behind was a considerable post-war public support (Dinan, 1994: 11-12). The functionalist theory proposed by Mitrany (1943) constituted the basic theoretical framework upon which the process of European integration was founded. Indeed, Monnet’s strategy to unify the European nation-states was mainly based on the functionalist assumption of ‘spillover’. This envisaged a stage by stage processes of integration to result in a coherent whole process of unification. As the **Schuman Plan (or Declaration)** (1950) suggested, “Conditions will gradually evolve”, “European governments would start with two industries essential to the making of war, coal and steel, then add other economic and political sectors until all major decisions

were taken at a European level” (Salmon and Nicoll, 1997: 45; Nelsen and Stubb, 1994:11). It was upon the proposal of Monnet that the French Foreign Minister Robert Schuman prepared a plan for the unification of coal and steel industries under a common authority, namely the ‘High Authority’. According to the Schuman Declaration (1950), it was the first step in the convergence of interests and the subsequent “establishment of a common economic system”, which would in turn lead to “a wider and deeper community between countries long opposed to one another by sanguinary divisions”. Indeed, the foundation of the European Coal and Steel Community implied that “the two key sectors of industrial production and war-making potential would be removed from national control and placed under a single, supranational authority” (Dinan, 1994: 23). And, as Monnet mentioned (1978: 293), pointing out to France and Germany, “to exercise joint sovereignty over part of their joint resources...a solid link would be forged between them, the way would be wide open for further collective action, and a great example would be given to the other nations of Europe”. As it was made clear, the cooperation was to be *de facto* as well as *de jure*. Consequently, based on the basic premises of integration set in the Schuman Plan, the establishment of the European Coal and Steel Community (ECSC) was agreed upon, in 1951, by the approval of the German Foreign Minister Konrad Adenauer, and the participation of Benelux (Belgium, Luxembourg, and the Netherlands) and Italy.

The **Paris Treaty**, which established the ECSC, was signed in 18 April 1951 and put into force on 25 July 1952. The specific goals to be achieved by the ECSC were set in the Treaty as follows; to establish a common market for coal and steel

industries, to stimulate economic development through cooperation, and to improve employment and life standards of the member states. As it was set in the project, the institutions to conduct the affairs of the Community were supranational in nature. Consequently, the Community members had given up (transferred) their sovereign rights relating to the coal and steel industries to the institutional mechanisms, basically to the High Authority, of the ECSC. The dynamics of the institutional framework of EU will be explored in the following section. Yet, for the ECSC, its institutional framework consisted of the High Authority, the Council of (National) Ministers, the Common Assembly and the Court of Justice, which were the embryos institutional structure to the forthcoming European Communities. It can be suggested that the Treaty of Paris stands on a very important historical conjuncture in relation to the Westphalian settlement because for the first time since 1648, the states were voluntarily agreeing to sacrifice amount of their sovereignty for the establishment of another authority, which would have jurisdictional rights, supranational powers, over their territories. Complementary to the 'discourses' that were going on in relation to the integration process, one observation can be that this was a first contractual step in the emergence of the 'post-Westphalian' order in Western Europe, the ECSC emerged as a supranational organization.³¹

³¹ 'Post-Westphalian' here is derived from the conceptualization of Hedley Bull, which observes referring to the European Community, "If they were to bring about a situation in which the authorities existed both at the national and at the European level, but no one such authority claimed supremacy over others in terms of superior jurisdiction or its claims on the loyalties of individual persons, the sovereign state would have been transcended. Similarly, one may imagine that if nationalist separatist groups were content to reject the sovereignty of the states to which they were at present the subject, but at the same time refrained from advancing any claims to sovereign statehood themselves, some genuine innovation in the structure of the world political system might take place. See, Linklater, Andrew. 1996. "Citizenship and Sovereignty in the Post-Westphalian State".

In the period to follow, attempts to establish a European Defense Community on May 1952 and a European Political Community on March 1953 failed mainly because of the reluctance of the French national parliament to ratify the Treaties concerning the foundation these Communities (Nugent, 1999: 41). It is necessary to clarify that the problem, concerning the ratification these Treaties, lied on the reluctance from the part of the member states to give up their national sovereign rights and autonomy on issues relating to the domain of 'high politics', such as security or foreign policy. It was too early to open the way for political unification via integration. Consequently, the intergovernmental processes of cooperation on these issues continued. Indeed, as it will be pictured throughout the thesis, the movement of European integration is marked with the 'dialectics' of the Supranational and Intergovernmental axis. On the one hand, the tendency is in the words of Haas³²,

Progressive regional centralization of decision-making ...the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new center, whose institutions posses or demand jurisdiction over pre-existing national states (Keohane and Hoffmann, 1994: 246)

Thus, this implies that the member states are compromising to articulate and decide on their interests at a higher level than the national one, to be known as Community (Union) or supranational interests. It can not be categorized as a classical international organization. Yet, on the other hand, this does not imply that the European Union possess a unitary sovereignty regime, since it is

³² Ernst Haas is one of the proponent of the 'neofunctionalist theory' the basic premises are founded upon the 'functionalist thesis', yet the main differing point is the neofunctionalist support for the establishment of proper supranational institution so that to stimulate further (spillover) integration.

something more than the aggregation of the sovereignty of the member states but less than the transfer of sovereignty on all the issues relating to the nature and scope of the modern nation-state. Therefore, the decisions made at the EU level are also the outcomes of the intergovernmental negotiation and decision making processes. In other words, the EU level decisions are also closely related to the negotiations among the national governments that are reflecting their national interests. Not to mention that these individualistic interests are open to conflict with one another. As observed by Newman (1996), the ‘ambiguity of sovereignty’ in a considerable extent is the result of the member states concern in safeguarding their policy-making competence on certain areas “regarded as integral to state power”. As elaborated in the subsequent sections of the thesis, major aspects of the ‘Social Policy’, Cooperation in Justice and Home Affairs (CJHA), and CFSP provide perfect illustrations as to how the member states are negotiating to preserve their policy-making competence (autonomy and capacity) in these domains where they seek to act as ‘strong states’. In this context, the bargains are made over the amount of sovereignty to be given up to the institutional mechanisms of the EU.³³ Intergovernmental negotiations implies the participation of the member states on an equal platform to discuss the future of the integration, the European Council functions as the intergovernmental pillar of the EU.³⁴ In the

³³ The argument is derived from Newman, the various interests for preservation of several policy-making competence are conducted under ‘loss of sovereignty’ argument, i.e. “Norwegian ‘no’ voters were generally defending a high level of welfare expenditure, whereas the British ‘Eurosceptics’ (reserved against the ‘European Social Policy’ model) came from the Thatcherite wing of the Conservative Party, and wanted to restrict all forms of government expenditure and control in favor of neo-liberal economics”. See Newman, Michael. 1996. *Democracy, Sovereignty and the European Union*, pp. 1-4.

³⁴ On an equal platform refers to the intergovernmental decision-making procedure. The principle of unanimity voting is the prevalent feature of the intergovernmental axis. This is also explained in chapter 3 while discussing the intergovernmental functions of the Council of Ministers and the European Council.

following sections of this thesis, the dialectical relations between the supranational and the intergovernmental will further be analyzed.

In this context, in the early 1950s, the establishment of the European Defense and Political Communities were failed attempts because they involved political unification or the transfer of loyalties from national to supranational level, which appeared challenging in this early period of integration. In terms of political integration, intergovernmentalism dominated over the Community interests. Consequently, the Western European Union (WEU), an international arrangement, originating from the Brussels Agreement on March 1948, which was also referred to as agreement of cooperation on socioeconomic, cultural and common defense issues, continued to function as the mechanism of cooperation on security and foreign policy matters in Europe (Karluk, 1998:6). But, with the establishment of NATO in 1949, WEU's functions lost their importance as the European security was undertaken by NATO. It was only, after the establishment of the Maastricht Treaty that the WEU, as the European pillar of NATO, acquired much more importance as an integral part of the CFSP pillar of the EU.³⁵ However, the real achievements, in the period to follow until the Treaty on European Union, were in the domain of economic unification.

Following the relative success of the ECSC, the European governments decided to further the process of integration. In this context, the Foreign Ministers of the six member states of the ECSC participated to the **Messina Conference** held on June

³⁵ CFSP (Common Foreign and Security Policy) is one of the most important aspect of integration relating to political unification. It is explored in greater details in the chapter 4 of this thesis.

1955. In this 'intergovernmental conference' they agreed in the first place for the process of economic integration had to be furthered in order to promote "the gradual merging of national economies, the gradual creation of a common market, and the gradual harmonization of their social policies" (Nugent, 1999: 42). The failure of EPC\EDC demonstrated that it was too early to step explicitly in the political integration. The governments resolved, in addition to the gradual unification of national economies, "they consider that the further progress must be towards the setting up of a united Europe by the development of common institutions" (Salmon and Nicoll, 1997: 59). Accordingly, as a latent perspective, move toward economic unification was seen, by the supranational axis, as positively correlated with a move towards political unification since the interests of the member states would smoothly be converged. This involved a process of learning to cooperate in and socialization into the emerging institutional framework. The resolution at Messina and the subsequent Rome Treaties were a manifestation of the 'spillover' and a basic attempt to avoid the faith of EDC\EPC. Thereafter, a committee was selected to outline a plan for the realization of economic integration to be followed by economic unification. The committee under the chairmanship of Paul Henri Spaak prepared the **Spaak Report**, which outlined the basic tenets of a closer economic cooperation, and basic steps and goals to be reached for the accomplishment of the economic integration. The Foreign Ministers of the six member states accepted the proposals set in the Report (1956). Accordingly, in 27 March 1957, the **Rome Treaties** were signed. The first Treaty founded the European Atomic Energy Community

(EURATOM) and the second one the European Economic Community (EEC). The first basically aimed at the joint regulations for the effective use of the atomic energy for peaceful purposes, and the basic goal of the latter was to establish an 'ever closer union among the peoples of Europe', a 'Common Market'. In other words, the general plan outlined (EEC) consisted of the realization of custom unions and common external tariffs (to third parties); common agricultural policy; common policies on issues relating to competition, transportation, environment, technology and fisheries; the free movement of goods, persons, services, and capital; the harmonization of economic and social policies; the establishment of a European Investment Bank (Dinan, 1994:34).

Accordingly, the following section will cover the sequences of events that have led to the completion of the '**Single European Market**' and to the establishment of the EU. The interactions between the intergovernmental and supranational axis and the outcome of these interactions will be explored in their historical sequences. The basic emphasis will be accorded to study some empirical cases. First, certain rulings of the 'European Court of Justice' that resulted in the establishment of the supremacy of EC jurisdiction over the territories of the member states will be explored.³⁶ Second, empirical cases relating to the realization of the Customs Union, the completion of the Single European Market will be studied, i.e. Tindemans Report, Dooge Report, White Paper. Not to mention the intertwined nature of the two in order to demonstrate how and why

³⁶ The European Court of Justice acts as the judiciary organ of the EU. In fact it is the institution of the supranational first pillar (European Communities) of the EU. After the introduction of TEU, all the activities relating to the European integration were 'entwined'. Although the complexity of economic and political networks, every activities of the EU are interrelated and interdependent. In the following chapter the institutional framework of the EU will be explored in details.

the European state is no longer in a position to formulate independent laws, and specifically in the issues entering the EC domain.

2.3 The Completion of the Single European Market and the Dialectics between the Supranational and the Intergovernmental from Rome to Maastricht

If we say that sovereignty means the ability to legislate independently of any other state, if it means that our domestic laws will prevail over all other external laws, then the United Kingdom long ago gave up some of its sovereignty...Even before the United Kingdom joined the Community it was well established that Community Law was supreme when in conflict with national domestic law and that Member States had abrogated a part of their sovereignty to the Community (James, 1998: 42)

The process of integration consist of networks of coordination of and adoption of common (joint) actions and policies. The operationalization of the Treaties of Rome, as the outcomes of the Messina intergovernmental conference, furthered the establishment of the supranational institutional structure of the European integration process. Accordingly, the individual member states were given their sovereign rights to these institutional mechanisms on the issues relating to the accomplishment of economic integration. The Treaty of Paris and the Treaties of Rome had established three European Communities with quite separate institutional structures. Yet, with the **Treaty of Merger**, signed in 1965 and put into force by 1967, the institutions of the three Communities were merged (Karluk, 1998:5). Consequently, without loosing their legal entitlement, set by their constituting Treaties, the ECSC, EURATOM and EEC acquired the status of European Communities (EC). Thereafter, the major institutions of the European Communities were the Commission, the Council of Ministers, the Court of Justice

and the Parliament. These institutions act as legislative, executive and judiciary organs of the European Communities. The European Court of Justice (ECJ) is a major locus of supranationality. As Weiler (1998) mentions, in retrospect the ECJ is a stimulus for “the evolution of the constitutional and institutional architecture of the EC”. In most of its history, the ECJ acted to prevent any infringement to the proper functioning of integration.

Indeed, the process of (economic) integration is a very delicate issue. It is not supposed to work to the comparative disadvantage of the regions involved in the process but to create an equivalent economic system among them. The completion of the ‘common market’ involves the free movement of goods, persons, services and capital (Gormley, 1998: 575). The emphasis is on the ‘trade creation-effect’ between the members and consecutive increase of their welfare. Auxiliary is the creation of common consumption habits and cultures.³⁷ A primary stage for the creation of a common internal market is the **Customs Union**. This involves the elimination of physical barriers (i.e. custom duties, import quotas) to trade between members and the establishment of a common external tariffs to trade with non-members (Dinnage and Murphy, 1996: 423). The custom duties and quotas are price and supply regulations imposed by the national authorities on ‘out-of-state goods’ (imports). The aim is the protection of the domestic industry from foreign competition. Likewise, every state has an external tariff policy. Until

³⁷ ‘Trade-creation effect’ refers to the reduction or elimination of any ‘trade barriers’ (“Any interference with the free exchange of goods and services among different political jurisdictions. Custom duties and import quotas are common trade barriers, but international exchange control and sanitary and health regulations may be used for the same purpose”). Additionally, “indirect taxation comprising sales and excise taxes” can also result in “discrimination against out-of-state goods. See Sloan, Harold S. and Arnold J. Zucher. 1970. *Dictionary of Economics*. Barnes and Nobles Books: New York, London, Evanston, San Francisco.

the establishment of the Customs Union, the member states were independent in their national economic policy-making capacities. Yet, the Customs Union limited the member states foreign economic policy-making competence. The process of ‘negative integration’ that was in the form of trade liberalization within the EC, was to be sustained by ‘positive integration’ or the (approximation of laws) harmonization of the policies of the member states and the adoption of common policies at the EC level. The areas of common policies are domains to be managed “exclusively by the Community” (Dinnage and Murphy, 1996: 5). Yet, in this case certain aspect of common policies may run against the interests of certain groups within member states or against certain national interests. This can, in turn, lead to complications in terms of approximation of laws or implementation of common policies. The governments, for the seek of political support or for the protection of national economy may be reluctant to implement or follow the common policies. However, in the cases where member states do not follow the principles of economic integration, it would be to the detriment to the establishment of a ‘common market’. In this respect, the CJEC rulings reasserted the supremacy of the EC law over the national law (Craig and Burca, 1999).³⁸

To begin with, it is important to remind two important legal issues in relation to the rulings of the Court of Justice. The Westphalian model implies the ‘immunity from jurisdiction’ and ‘immunity of state agencies’, the former means that “no state can be sued in the courts of another state for the acts performed in its

³⁸ The European Court of Justice was known as the Court of Justice of the European Communities (CJEC) up until the operationalization of the TEU. The decisions of the ECJ are part and parcel of the sources of the EC law.

sovereign capacity”, and the latter “should an individual break the law of another state while acting as an agent for his country of origin and be brought before that state’s court, he is not held “guilty”...” (Held, 1999: 38). Thus, the states are free to pursue their interests and no ‘extra-territorial’ courts are permitted to rule on their behavior.

Van Gend en Loss v. Nederlandse Administratie Der Belastingen 26/62 [1963]

was a first ruling where the Court of Justice (CJ) declared “Member States have limited their sovereign rights, albeit within limited field” (James, 1998: 42). The case was brought to the CJ by Van Geld en Loss, a Dutch firm “importing an adhesive from Germany and paying customs duties of 3 percent of its value” (Rudden and Phelan, 1997: 12-31). At the period, physical barriers were in effect but the transitional period to the Customs Union had already started and the member states were eliminating the customs duties and quotas. Yet, the Dutch government increased the duty to 8% and argued that this increase “had come about as a result of a reclassification of the product in another heading of the tariff” (Dinnage and Murphy, 1996: 86-88). The firm brought the case to the Amsterdam Customs Court, which on the grounds that the product was imported from another member state asked the CJ “whether the Treaty article has a direct effect on the legal positions of individual and firms” (Rudden and Phelan, 1997: 12). The creation of a ‘common market’, which is the basic goal of the Rome Treaty, has direct and indirect socio-economic and political implications for the citizens of the Community. From the producers, commercial entrepreneurs, to the consumers, every segments of the society are effected. Therefore, a uniformity in

the interpretation, approximation and implementation of the EC legislation is primordial to provide equivalent conditions to the members. Consequently, the subjects of the legal order of the Community “comprise not only the member states but also their nationals” and the “Community law, apart from legislation by the member States, not only imposes obligations on individuals but also confers on them legal rights” (Dinnage and Murphy, 1996: 87). Therefore, Van Gend an Loos plaintiff against the Dutch government was concluded by the preliminary ruling of the Court of Justice affirming that the “EC Law has supremacy over the national laws of the member states”. Not to mention that the infringement to the EC legislation by the member states may also be to the benefits of its nationals, yet this does not overrule the ‘direct-effect’ and the ‘supremacy’ of the EC jurisdiction over the member states territories on the common policy domain. In the following years similar cases – i.e. **Costa v. ENEL**, **Amministrazione Della Finanze dello Stato v. Simmenthal SpA**- involving various kinds of infringement with the common policy objectives were brought to the CJ, which reasserted repetitively its position concerning the safeguard of the proper functioning of integration.³⁹ A kind of ‘constitutional’ balance was then established.

³⁹ **Costa v. Enel** 6/64 [1964] case; “...the validity of a Community Measure or its effect within a member state can not be effected by allegations that it runs counter to...the principles of a national constitutional measure” **Amministrazione Della Finanze dello Stato v. Simmenthal SpA** 106/77 [1978], “...any National Court must...apply Community law in its entirety...and must accordingly set aside any provision of national law which may conflict with it, whether prior or subsequent to the Community rule”. See Ruden, Bernard, and Diarmud Rossa Phelan. 1997. *Basic Community Cases*. Dinnage, James D. and John Murphy. 1996. *The Constitutional Law of the European Union*.

In this context, two other CJ actions are worth to be briefly discussed . Both of them are made in the post-Customs Union period, and are insightful for the subsequent exploration of the completion of the Single European Market. The first one is **Cassis de Dijon Case 120/78** (Rudden and Phelan, 1997: 115-127). This involved the case of a firm that wanted to import to Germany a French liqueur, Cassis de Dijon, the alcohol rate of which was 20% by volume. Yet, the German authorities resolved that the amount of liqueur was too small to be sold in Germany. Consequently, the firm brought its case to the Court. The German action was not the infringement of the EC law through imposing direct quotas or tax but it was arguing that the alcohol rate was unfit to German standards. This was an indirect discrimination against a French product. This was a very hard case since it demonstrated a clash between the German national standards and the French ones. And, the Community has not yet developed regulations relating to ‘common standards’. Finally, the Court decided that the case falls under “measures having an effect equivalent to quantitative restrictions on imports” (Article 30 of the EEC Treaty). This implied “even where national measures are inspired by considerations of fair trading...the restrictions must be proportionate to the aim to be achieved: thus on the facts, information label would suffice to warn the potential buyer...” (Rudden and Phelan, 1997: 120). Consequently, Cassis de Dijon case had a strong influence on the prospects of the ‘common market’ relating to the elimination of technical barriers on the freedom of movements. Therefore, the main conclusion drawn from Cassis de Dijon was, rather than the approximation of standards, the member states are to “recognize and accept each other’s standards, as long as those standards satisfied certain health and safety

conditions” (Dinan, 1994: 338). Today, the same rules apply, yet by a 1989 legislation, for the purpose of the protection of the consumers the firms are obligated to certify **(CE)** that their products confirms to be sold in the European Market (Karluk, 1998: 43-47). This is the result of the “New Approach to Technical Harmonization and Standards”, whereby the products on the markets should meet health and safety norms. Currently, the norms are extended and applying to a wide range of sectors, and European standards organizations are actively working to control and enforce these requirements. This then relates to the recent ‘BSE’ crises in which the British beef was banned from the European market up until 1999 due to mad-cow diseases (Westlake, 1997). Now that the ban is void, the French government has still not lifted the ban for the sake of the protection of the French citizens. The case is brought to the Court.

As it can be deduced from the illustrative cases above, the process of integration results in undermining the sovereignty of the state and its independent policy formulation capacity. On the one hand, the ruling of the ECJ are limiting the sovereign rights of the member states over their territory. On the other hand, the member state’s relative autonomy for policy-making and enforcing is seriously undermined. Not to mention that the capacities of the states in meeting the demands and the expectations of their people is undermined.

The period between 1958 and 1965, the Commission acted as a Federal-like government. The procedures of supranational legislation and executive worked

almost without any obstacles.⁴⁰ In 1 July 1968, the **Customs Union** was in full effect, the period to follow consisted of a second transitional stage in the construction of a 'common market'. As it was clarified, a wide range of measures had to be taken in order to prevent the negative effects of integration. This consists of eliminating almost every possible discrimination against internal trade in order to overcome probable sectoral or regional socio-economic disparities.⁴¹ For this purpose elimination of technical barriers to trade (i.e. the adoption of common technical and health standards), the adoption of common commercial policies, common competition policies, common agricultural policies, and many other common economic policies are required. Additionally, as described in the Treaty of Rome (1958), the establishment of a 'common market' relies on the free movement of goods, persons, services and capital. In this respect the dynamics of integration requires the adoption of common social policies, common monetary (fiscal) policies and other related common policies, or the approximation of these policy areas, not to mention the elimination of custom controls (frontiers). This implies large scale erosion of state sovereignty. Indeed, by this kaleidoscope of economic integration, it is clear that the final stage is intended to lead to economic unification, which is the 'economic and monetary union'. Although as part and parcel of integration in 'high politics' it is subject to study in chapter 4,

⁴⁰ The Commission acts as the supranational government of the EC, it basically the executive organ. There is no analogous institution in national governmental systems. In chapter three its peculiar character is explored in details.

⁴¹ The process of economic integration consists of four the stages: (1) the creation of a free trade zone, (2) customs union, (3) common market, (4) economic and monetary union. The member states have adopted as their objective the completion of integration\unification within the timetable set for each stages. See Dinnage, James D., and John Murphy. 1996. *The Constitutional Law of the European Union*, pp. 11-20.

for the recent purpose it is sufficient to say that this involves the convergence of the national economies of the member states.

To follow the logical sequence, the clock-work like mechanisms of the dialect between the supranational the intergovernmental were soon to emerge. The Commission's supranational rule, the completion of the Customs Union, and the launch for the 'common market', were perceived by some members as too much challenging to their sovereign existence. In 1965 a crisis between the Commission and the Council of Ministers emerged because the French government rejected the proposal of the Commission.⁴² This proposal consisted of provisions relating to "the financing of the new Common Agricultural Policy (CAP), the introduction of EC 'own resources', and the widening of the budgetary powers of the European Commission" and the EP (Teasdale, 1993: 568). Another source of the crises was the reluctance of the French government about the introduction of 'majority voting' on a wide range of issues.⁴³ The two sources of objection were both perceived incremental for France. First, a Community acquiring independence to control its own resources (or budget) meant a Community independent in its capacities of redistribution. Second, agriculture has a very important share in the French economy, therefore capacity to formulate independent policies relating to the agricultural sector is integral to state power in France. Third, increase in the

⁴² The Council of Ministers is the legislative organ of the EC. Up until the 1985, it acted as one of the locus of intergovernmentality. The voting procedure in the Council is very important in determining whether the institutional pendulum shifts toward the supranational of the intergovernmental. This is elaborated in chapter 3.

⁴³ "The so-called 'third stage' of the transitional phase of the Community's development came into effect in January 1966, majority voting should automatically be introduced for the first time on a significant range of issues in the Council of Ministers". See Teasdale, L. Anthony. 1993. "The Life and Death of the Luxemburg Compromise", *Journal of Common Market Studies*, pp. 567-568.

legislation subject to 'majority voting' in the Council meant that further decisions would be taken at the supranational level. The French government under the President de Gaulle, was resolved "to shield sovereignty from the encroachments of supranationality" (Dinan, 1994: 39). It should be specified that the French position was not to break up the Community but to continue the process of integration with respect to the principle that each nation-state controlled their own destinies (Nelsen and Stubb, 1994: 25-41). In cases where national interests conflicted with the Community interests a space for the latter had to remain. Therefore **Luxembourg Compromise** was agreed upon in January 1966, by the intensification of the tensions, as the result of the French *chaise vide* (empty chair) politics.⁴⁴ Accordingly, the issue of majority voting in the Council of Ministers remained unsettled; instead unanimity vote was brought about. The essence of the Compromise was that when "a decision requiring majority voting in the Council could be postponed until unanimous agreement had been reached" (Teasdale, 1993: 567). Thus, it symbolized "a transformation from a 'Community' spirit to a more selfish and pragmatic 'cost-benefit' attitude of the member states" and in the period to follow until the Single European Act the intergovernmental axis remained stronger (Dinan, 1994:59). Consequently, until mid-1980s the process of European integration slowed down, the balance between supranationalism and intergovernmentalism was broken down in the favor of the latter. Yet, the completion of the Custom Union on July 1968, which rendered the national economies of the member states ever interdependent, the improvement reached in Hague Summit (1969) on issues relating to Common Agricultural Policy,

⁴⁴ France did not participated in the meetings of the Community.

European Political Cooperation, European Monetary Unification and the processes of Community enlargement were still steps forward in the process of integration (Dinan, 1994:71-75).⁴⁵

By the 1970s the oil crisis hit the world economy, the member states had troubles in their individual capacities to adjust their socioeconomic policies to meet the crisis. A latent reason for this was that the impact of integration had already rendered the member states even more interdependent with one another, the original purpose to 'out-law' war between the nations of Europe was now deviating toward the sustained growth of the welfare of the European nations (Nugent, 1999: 17). The EC failed to develop a unitary European foreign and economic policy to deal with the petroleum crisis (Dinan, 1994:84). However, they needed integrated Community policies for collective action even more strongly. Additionally, the negative effects of economic integration were also hindering the economic sectors of the member states because the processes of harmonization of policies was slowed down as the result of the 1965 intra-Community crisis. These gave rise to an intensification of the intergovernmental meetings for negotiations of the EC problems. This period then saw the institutionalization of the once *ad hoc* intergovernmental conferences (IGC). The underlying purpose was to revitalize the process of European integration through

⁴⁵ EMU or the European Monetary Union and EPC or the European Political Cooperation will be discussed in the last chapter, but for the recent purpose it suffice to say that cooperation toward closer political integration were already issues attempted to handled at the European level. When it comes to the process of enlargement, it has a direct relations with institutional reforms, because the integration of a new participant in the Community has a direct impact on the decision-making at the European level. This issue is clarified in chapter 3. The member states participation to the Community depends on the size of their population. Additionally, the introduction of new members means and additional vote to be reconciled at the level of the Council.

networks of intergovernmental communications so as to cope with the blockages in the institutional decisions making processes stimulated by the Luxembourg Compromise. Thus, in 1974, with the Paris declaration the **European Council** was established as an integral part of the European integration process. It was an intergovernmental institution in nature and scope; however, as Dinan (1994:230) mentions, “the European Council’s emergence in the 1970s coincided with a gradual strengthening, rather than weakening, of supranationalism in the Community”. The increase in the powers of the EP; the increasing use of majority voting in the Council of Ministers; and the forthcoming re-launch of the visions of establishing a European economic, monetary, social, cultural and political union respectively by the Single European Act (1987), Maastricht Treaty (1993), Copenhagen Summit (1993), Amsterdam Treaty (1997), the Helsinki Summit (1999), the Feira Summit (2000) –were all steps forward in the unification of the member states, and this was the outcome of the regular meetings of the European Council.

In this context, the post-Maastricht era is mainly the subject of study of the third and the fourth chapters, in which the institutional dynamics and the dynamics of the political unification are explored. For our recent purpose, the focus will be on the period up until the introduction of the Maastricht Treaty or the Treaty on European Union. The period is worth studying because most of the fundamentals of the economic and political unification are constructed in this period. The major success was especially in the issues relating to the completion of the Single European Market, institutional reforms and subsequent enlargements, and finally

the establishment of the EU as a three-pillar structure. In the previous section of this chapter, the underlying dynamics of the processes of integration are set forth. The period to follow will briefly be covered, constructing on the previous explorations.

As a remedy to 'Europessimism', in the Paris Summit (1974), the European Council asked the Prime Minister of Belgium, Leo Tindemans, "to produce a report on how a political union might realistically be achieved" (Salmon and Nicoll, 1997: 142-150; Vandamme, 1989: 149-173).⁴⁶ The **Tindemans Report** prepared and submitted to the European Council (1975-76) underlined the basic principles upon which should be built a European Union.

(1) European Union implies that we present a united front to the outside world. We must tend to act in common in all the main fields of our external relations whether in foreign policy, security, economic relations or development and aid. (2) European Union recognizes the interdependence of the economic prosperity of our States and accepts the consequences of this...(3) European Union requires the solidarity of our peoples to be effective and adequate. Regional policy will correct inequalities in development and counteract the centralizing effects of industrial societies...(4) European Union makes itself felt in people's daily lives. It helps to protect their rights and to improve their life style...(5) In order to achieve these tasks European Union is given institutions with necessary powers to determine a common, coherent and all-elusive political view, the efficiency needed for action, the legitimacy needed for democratic control. The principle of equality of all our States continues to be respected within the Union by each State's right to participate in the decision-making. (6) Like the Community whose objectives it pursue and whose attainments it protects, European Union will be built gradually. So as to restart the construction of Europe straight away and increase its credibility its initial basis in the commitments of the States to carry out in different fields specific actions selected according to their importance and chances of success.

⁴⁶ It is used to describe the period where the process of integration fall into an abyss. This negatively effected the member states and run contrary to the proponents of supranationalism. See Dinan, Desmond. 1994. *Ever Closer Union*, page 69-98.

The European Council welcomed the report. This was an important step on the road to Maastricht. However, the process of (economic) integration was yet far behind the original program and the climate of the Luxembourg compromise still persisted. The report's utility was only to provide a framework for the Treaty on European Union to follow two decades later. For the current purpose, the pursuit of economic integration, some institutional reforms were on top of the agenda. In the meantime by the early 80s the internal and external challenges to the Community were felt strongly by the Europeans (Pryce, 1989: 175). The processes of economic integration that had been launched rigorously had slowed down in the middle of its allure and this disturbed the balance of the economies of the members. An additional impact was the full membership of Greece and the accession negotiations with Spain and Portugal, which were relatively the weak economies. These challenges combined de-colonization, the competition in the international economy that strongly acquired a global shape, and undermined the competitiveness of the Community. In addition to this, the tension with the United State relating to the cold-war defense and security strategies was requiring collective action of the Western European states. This time another proposal came under the European Council, this was the **Genscher-Colombo Act** which translated itself into the **Solemn Declaration on European Union (1981-1983)**. It was a proposal brought about by the German and the Italian Foreign Ministers. The plan outlined strongly the foundation of a European Union, its underlying assumptions were similar to Tindemans Report. Yet, note that the latter was drafted upon the request of the Council while the former was the initiative of the German Foreign Minister and reflected the German position to unify Europe. The

support was mainly from Italy. A final move in the transition from the Community to a 'Union' was made from the part of the European Parliament in 1984, by a parliamentary group, The Crocodile Group, under the leadership of Alterio Spinelli. This consisted of a '**Draft Treaty establishing the European Union**' sent to national parliaments of the member states (Salmon and Nicoll, 1997: 176). It again urged to take collective action on as much as issue relating to integration, with specific emphasis to establish a stronger union among the European people. The major emphasis was on the emergency to increase the powers of the EP, and to bring about democratic legitimacy to the institutions of the EC. This remained also only as an attempt and was not actualized as a Treaty by the member states. Yet, for the years to follow it is an illustrative example for the role of the EP in stimulating institutional reforms and for the notion of establishing a 'Union' where the decisions are to be made as closer as possible to the people (Corbett, 1993: 7). Indeed, all the Report, the Declaration and the Draft inform a common position reached in the European Council. This consist of the necessity to move forward in the process of integration: toward the completion of the common market with the support of deepening of the scope of the EC institutions (shifting toward the supranational pendulum) and through the extension of cooperation in common foreign and common security policies. Additionally, most of the Treaty on the European Union consists from a revised version of these proposals.

As the mid-80s came, the prospects for future integration were more or less clear. The first path was definitively to focus on the completion of the common market,

and then to move from the Community to a Union. In 1985, Jacques Delors became the President of the Commission and Lord Cockfield the Vice-President. They were decisive in the completion in the completion of the common market. In most of the EU literature, Delors is introduced, after Jean Monnet as a second architect of the EU project. In his speech in Bruges, Delors (1989) argued for the establishment of a European Federal State based on the principle of “subsidiarity”.⁴⁷ Two consecutive documents were prepared in that period. The first is the **Dooge Report to the European Council** (1984-85) (Keatinge and Murphy, 1989: 217-237; Salmon and Nicoll, 1997: 189-199). The majority in the European Council, resolved that it was the time for a second Spaak Report and to prepare the grounds for an intergovernmental conference to negotiate a draft Treaty on the European Union. Consequently, the Dooge Committee was established as a first step. The priority objective was set in the Report as institutional reformation, to reassert efficiency and to bring about democracy in the institutional framework were the underlying purpose. The completion of the objectives set in the Treaty of Rome, the realization of the Economic and Monetary Unification, to bring ahead the notion of European citizenship, to improve the European political cooperation and to set a proper formula for

⁴⁷ The principle of subsidiarity is briefly discussed in the final chapter. It is basically introduced by the TEU (1993). The idea was launched by Delors (1989), “Never entrust to a bigger unit anything that is best done by a smaller one”...subsidiarity, he argued ...made the federalism the savior of pluralism, diversity, patriotism, and national identity in Europe. Indeed, the rejection of federalism, he warned, would mean the return of ugly nationalism”. Thus, the argument was that each decisions should be taken at the proper political unit. It “appeared as the guiding principle to delienating the competences of Brussels versus other administrative authorities, such as national states and regions”. Its basic implication was that there should be a “separation of the responsibilities between the European Commission, the member state and sub-national governments or other local authorities. Yet, the subsidiarity and its implications are largely debated. See, Nelsen, Brent F. and Alexander C-G. Stubb. 1994. *The European Union*, pp.51, and Van Kersenbergen, Kees and Bertjan Verbeek. 1994. “The Politics of Subsidiarity in the European Union”, *Journal of Common Market Studies*.

cooperation in foreign and security policies were functions of a proper institutional framework. Consequently, the Report was informing the framework of the forthcoming Maastricht Treaty.

The second is the **White Paper** (1985) submitted by the Commission to the European Council (Dinnage and Murphy, 1996: 16-19). It informs the governments of the member states on the measures to be adopted for the establishment of the Single European Market, and within the set timetable. In line with the stages of economic integration already discussed in this chapter, this consists of the elimination of the removal of all the physical, technical, fiscal barriers to the free movement of goods, services, capital and people of the Community, and all other measures, such as institutional reforms, relating to the creation of the Single Market.

Both the Dooge Report and the White Paper were negotiated in the Milan Summit (June 1985) of the European Council. The member states agreed on fundamental principles of the both documents, and specifically on White Paper. Yet, still some of the member states were reluctant in certain issues and the unanimity voting still applied, and specifically for such decisions involving a considerable amount of sovereignty to be given up to the Community institutions. Not to mention that the independent policy-making capacities of the member states would be seriously undermined. Consequently, the governments decided to organize another intergovernmental conference to be held in Luxembourg (September 1986), within this period the governments continued negotiations in order to reach a

common position (Corbett, 1989: 238-272). Thereafter, the outcome of all these processes from Dooge to Luxembourg, was the introduction of the **Single European Act** (SEA) in 1987. The provisions in the SEA consisted of the revisions and amendments of the Paris and Rome Treaties, the major issues were the common market and the institutional reforms. In the Article (13/8A) the objective is set as, “The Community shall adopt measures with the aim of progressively establishing the internal market over a period expiring on 31 December 1992...”, and a specific emphasis was given to the notion that “The internal market shall comprise an area without internal frontiers in which the free movements of goods, persons, services and capital is ensured...” (Salmon and Nicoll, 1997: 206). Additionally, specific importance was accorded to the actualization and institutionalization of the European Political Cooperation. By the end of the 80s, **Cecchini Report** (1988) was announcing the positive contributions that the construction of the common market was bringing about the growth of the European economies to the increase in welfare through the creation of jobs and decrease in inflation. Moreover, the Report analyzed the prospects of future improvements through the realization of the economic unification (Karluk, 1998: 35).

In the eve of 1989 the Berlin Wall was no more there, in the words of Delors (1989) it symbolized a conjuncture for the “acceleration of History”. The unification of Germany and the future of the Central and Eastern European socio-economic, political and cultural landscape were crucial to be considered in relation to the European Community. In addition to these, the second era of

globalization was beginning to make itself felt, there was an all-encompassing restructuration in the shape of the world politics (Rosenau, 1990). As consequences of the global competition in post-industrial societies, the integrative and the fragmentary forces of the globalization became gradually apparent in the internal and external political relations of the societies (Ross, 1998). It was more or less clear that the post-cold war era would result in considerable changes in the socioeconomic and political dynamics in the global system. In this context, the European Community perceived that it should be able to adapt to the probable systemic changes. Yet, the forthcoming evolution of EC through preparing the basic premises upon which the EU should be built is not only an adaptation to the systemic changes, but it is also an attempt to reassert the European position in the post-cold war era as an actor shaping the global order, and the direction of the process of globalization (Ross, 1998).

The emergence of the EU as a post-Westphalian actor is in part to denote the role of the European Community in creating the institutional arrangement for a possible revision of the concept of 'sovereignty' in its full content. As for the events leading to Maastricht, by the early 90s, the Single Market Program has reached almost its peak. In this respect, Delors, with the full support of the French President F. Mitterand and the German Prime Minister H. Kohl, prepared a committee report known as **Delors Report on the European Economic and Monetary Unification** (1989). The Economic and Monetary Unification will be discussed in chapter 4, but for the recent study, this was an important step leading to the ratification of the Maastricht Treaty. In the years to follow the subject matter

of the Intergovernmental Conferences was the signing and the ratification of the **Treaty of Maastricht on Economic, Monetary and Political Union (TEU)**. The Treaty was signed in 1992, yet it had to be ratified by the national parliaments or by popular referendums in the member states. One point needs clarification here. Throughout the evolution of the process of integration, the European public became increasingly involved in the process. In its origins, the process was rather going on through negotiation at the level of political elite. Yet, the impact of integration soon made itself felt at all the levels of European societies, the public became gradually aware and informed on the consequences of integration (Slater, 1982). As it was obvious the ratification of TEU involved “further loss of sovereignty”, and the popular concern about the relatively undemocratic institutional mechanisms of the EC combined with certain consideration of national interests lead to the late approval and operationalization of the Maastricht Treaty. As its content will be addressed in the following chapters, the TEU was in full effect only by November 1993, after subsequent series of multi-level negotiations. Denmark opted out from the CFSP pillar of the EU, and UK was reserved on the Social Charter, on the independent budget of the EC and on issues relating to EMU.

The completion of the **Single European Market** (January, 1993) and the introduction of the **Treaty on European Economic, Monetary and Political Union** are the grounds on which the European integration movement is evolving today on a ‘stage by stage’ process of unification, yet not without any complexities. The TEU established a three-pillar institutional framework, which

consist of Economic Communities, Common Foreign and Security Policy and Cooperation in Justice and Home Affairs. Additionally, it introduced important provisions relating to European Citizenship. In the following chapters the focus will be on the post-Maastricht era, in which the Treaty of Amsterdam and certain important IGC relating to achieve the goals set for the construction of the European Union will be explored. The new institutional framework of the EU, the current state of integration reached relating to the notion of 'subsidiarity', European Citizenship, EMU, CJHA and the CFSP are worth studying in order to reach a deeper understanding of the current transformations and challenges that the modern nation-state (member states) are experiencing.

While these Treaties were put into force from 1958 to 1993, they meant extending the share of sovereignty of the Community/Union over the territories of the member states, on a 'stage by stage' basis. In other words, the member states were given up (transferring) amounts of their jurisdictional authority to the institutions of the Communities (Arat, 1996:44). In this respect, one underlying assumption is the complementary nature of the interaction between "negative" and "positive integration" or "informal" and "formal integration" (Bressand and Nicolaidis, 1990: 44). The first involves the processes of integration such as the elimination of obstacles to free trade, while the second involves the processes of integration relating to the coordination (harmonization), adoption and implementation of common policies or rules and regulations. This is important to comprehend the cumulatively complementary nature of the relationship between the economic and political integration (Belassa, 1961). As set in Rome Treaty (TEC), the mode of

economic integration via the establishment of a 'common market' mean the gradual convergence of the national economies and markets of the member states, and the process, to be sustained, requires the adoption and implementations of common policies. Another underlying assumption is that, the vision to converge the national economies of the member state is seriously undermining the basic premises upon which the modern nation-state rests. Traditionally, the state is considered as the main economic actor in its territorial space (Pierson, 1996: 94). Indeed, micro and macro economic policies relating to production-consumption, import-export, inflation, employment, ownership, taxation and redistribution of resources and many other aspects of economic activities falls under the responsibility of the state. Therefore, by the informal and formal processes of integration the sovereignty of the member states over their national economy is seriously undermined. Another related challenge is that the relative autonomy and capacities of the member states are undermined. On the one hand, in terms of their policy-making capacities, the principle of relative independence from external forces is undermined once the process of policy harmonization starts.⁴⁸ On the other hand, the capacity of the individual member states to meet the moral and material need of their respective population is undermined. This can be read in two major ways. On the one hand, as the result of the process of integration significant amount of national resources are simultaneously polled

⁴⁸The principle of relative independence from external forces was elaborated in the first chapter. In this section, 'external forces' refers to the supranational forces of integration.

together, i.e. coal and steel production, research and development, energy, are some examples. Therefore, the exploitation of these resources is no longer in the hand of a single state to meet its problem-solving capacity, the resources are open to be controlled by an 'extra-territorial' authority. As briefly explored in the first chapter this is complemented by the forces of globalization, in an ever interdependent world "policy issues increasingly require international agreements and collaboration and are therefore no longer open to the problem-solving capacity of individual nation-states". (Axtmann, 1997: 43).⁴⁹ On the other hand, increasing aspects of socio-economic or political decisions are issued by the supranational organization. The outcome of these decisions can either be to the satisfaction of the "demands and expectations" of the citizens of the individual member states or to their disappointment (Axtmann, 1997: 44). As it will be further demonstrated in the subsequent sections, the member states in most of the cases are bound by these common policies. Indeed, all these observations mentioned above will become clearer when they are considered together with the empirical instances where the adoption and implementation of common policies had been achieved. On the way toward the completion of the Single European Market, which is in itself an empirical case, the Common Agricultural Policy, Common Competition Policy, harmonization of Tax Policies and many other areas where the processes of unification, integration, coordination or cooperation

⁴⁹ In his article Axtmann refers to the impact of globalization on the "political legitimacy in the sovereign, democratic nation-state" which he observes "has typically been linked to the state's capacity to deal effectively with the demands and expectations of its citizens and with the citizens' democratic rights to exercise control over the ruling elites through elections and other forms of political participation as well as through the use of law". See Axtman Roland. 1997. "Collective Identity and the Democratic Nation-State in the Age of Globalization". In Cvetkovich, Ann and Douglas Kellner ,eds., *Articulating the Global and the Local: Globalization and Cultural Studies*, pp. 43.

has considerably been achieved, and thereafter the process ‘spillover’ into other major domains of high politics. There remains other considerations to be made in relation to the challenges posed by the forces of integration to the modern nation-state, they are explored in the following chapters. And, the dialect between the supranational and the intergovernmental axis of the European integration process is a major demonstration of these considerations relating to the reformulation (reconstruction) of the modern nation-state. In the following chapter, the attempt will be to explore the institutionalized dynamics of the intergovernmental and the supranational.

CHAPTER 3

TO BRIDGE THE SUPRANATIONAL AND THE INTERGOVERNMENTAL: THE EUROPEAN UNION AS AN INSTITUTIONAL FRAMEWORK

3.1. Why Does the Institutional Framework of the EU Matters?

In this chapter, the purpose is to demonstrate that the EU is a new form of territorial governance, which has a geographical boundary, and constituting its legal system and supranational jurisdiction. The European Union is a supranational organization in nature and scope. It is a legal entity having its own institutional structure and decision-making mechanisms that is supposed to function over and above that of the nation-state (Newman, 1996: 31). This legal system, which emerged throughout the process of integration in Europe, is juxtaposed with the legal systems of the nation-states, which are part of this process of integration. The area of jurisdiction of the EU, its authority and governance, encompasses the territories of the member states (Held, 1999). In other words, the member states share their sovereign rights with the European Union.⁵⁰ Consequently, the formation of the institutional structure of the EU and its becoming a legal system stimulates progressively a transformation in the Westphalian system of states. This is to point out to the fact that, while the

⁵⁰ The conceptions of 'transfer of sovereignty', 'pooling of sovereignty', 'yielding of authority', 'sharing powers' are also used in the literature and all refer to an erosion of sovereignty or transformation in the very nature of the Westphalian state.

institutions of the EU acquire jurisdiction over the territories of the member states the sovereignty and autonomy of the state in question erode. This poses a challenge to the very nature of the modern nation-state described in the first chapter. Yet, the transfer of sovereignty is a stage by stage process, and the law making capacity of the institutions of the EU extends over various areas progressively. As an illustration, the process of integration had started with the establishment of ECSC through which the control of the coal and steel resources in the member states had been given to the High Authority, which was the supranational institution. Consecutively, the Commission replaced the High Authority, and its areas of control extended to encompass almost all matters relating to economy. Today, the jurisdiction of the institutions of the EU ranges from economic, social, cultural, environmental issues to political ones, which means from trade, welfare, education, and pollution policies to common foreign and security and justice and home affairs policies.

As already mentioned the EU seriously undermines the principle of sovereignty developed by the Westphalian model. It is the basic reason for why there arises competing perspectives in the process of institutionalization of the European integration process, which revolves around the intergovernmental and supranational axis. Indeed, as it is also mentioned by Keohane and Hoffman (1994) with regard to the EC, while exploring the institutional structure of the European Union it can be argued that “it is both intergovernmental and supranational in nature”. As explored in the first chapter, sovereignty is where the notions of (territory), nation, state, democracy and citizens are intersecting

together with the concepts of national interest, collective identity formation and law making. The tensions between supranational and intergovernmental axis arises from the very possible clashes between the individual national interests of the member states and the common interests of the Union. Certainly, these issues are debated under the heading of 'amount of sovereignty' to be given up to the Union and the conditions under which it should be sacrificed. As Newman (1996:1) comments on the debates following the Maastricht Treaty, "On the one side were those who insisted that Maastricht Treaty was a step too far and that democracy and sovereignty must be defended against too far encroachment of 'Brussels'; on the other were those who claimed that sovereignty was anachronistic and that the way forward was to recognize the importance of the Union, while simultaneously democratizing it". Altogether combined, it would be correct to argue that the EU has arisen as a supranational entity (polity) performing its own interests which may clash with the interests of a nation-state, and in many cases dominate over individual national interests.

In order to have a better understanding of what makes the EU supranational or intergovernmental and to grasp its difference from both the international organizations and the modern nation-states there is a need to explore the institutional framework of the EU. This exploration is additionally important in order to conceptualize how the EU undermines the sovereignty and strength of the member nation-state; while it restricts the autonomy and capacities of the member states. In sum, its institutional framework is necessary to analyze in order to grasp

what makes the EU to be classified as one of the playwright of “post international politics” or as the symbol of the post-Westphalian order.

The process of institutionalization of the European integration movement is substantial for the process of integration be durable. According to Arat (1996:35-38), the formation of a legal system is crucial for the integration process be sustained. This legal system which binds the member states distinguishes the EU from other international organizations, and gives it a supranational character. In other words, the achievement of a European society of states without internal frontiers requires the formation of a European legal system to set the norms, codes of conduct and to promote coordination, harmonization, standardization of policies repetitively as if a new nation-state was forming. A legal system – relatively the most developed contemporary is that of the nation-state (Arat, 1996:39; Held, 1998, Kohler, 1998) - requires four elements to work properly.⁵¹ As Arat (1996: 38-39) describes, first, a legal order requires agencies having the capacity to set rules and implement them, the most important of such organs those having legislative and executive capacities. In the case of the EU those are the institutions that are established by the treaties, these constitute the fundamental legal sources of the EU.⁵² The second element of a legal order are the legal rules,

⁵¹ Held and Kohler, assesses it in terms of the democratic institutions through which the decisions are made. See, Archibugi, Daniele, David Held and Martin Kohler (eds.) 1998. *Re-Imagining Political Community*, pp.11-27 and 231-251.

⁵² Arat in his article distinguishes between the EC and the EU and mentions that it is proper to use the concept of EC Law rather than the EU Law. In this thesis EU will be used to refer to the three-pillar institutional framework, but Arat clarification on EC Law will be taken as granted. Accordingly, the sources of Law of the EC, are the founding Treaties, and the decisions issued by the legislative organs of the EC. See Arat, Tuğrul. 1996. “Avrupa Toplulukları Hukuku” (The Law of the European Communities). In T.C.M.B. Avrupa Birliği El Kitabı, pp. 29-52.

which are the lubricants of the institutional framework of the society, and the institutions are both important inputs and outcomes of the legal rules and Law is established through a system of legal rules (Arat, 1996:39). The third element are the courts, which are responsible for safeguarding the proper application of the legal rules. Forth, there are executive branches that are responsible for the execution or the enforcement of the laws. These last two elements of any modern legal order are essential for it to be effectively sustained and implemented. All the institutions mentioned should be Constitutionally be empowered in order to exercise their legislative, executive or judicial powers. Moreover, to render a legal system work effectively, the four constituent element of a legal order should have reached a high degree of institutionalization. As Arat mentions (1996:40), as the nature and scope of the social interactions intensify and diversify, the legal system which basically regulates the social relations widens and deepens in content. In other words, new rules are being made consecutively in order to meet the emerging material and moral expectations of the people, in different time and places. In this context, and referring to the first chapter of this thesis, the capacity of the system –in this case the state apparatus- to issue autonomously the proper rules to meet the changing expectations and demands, in order to get the support of its citizens, is a measure for the strength of this system. In the case of the relationship between the EU and its member states, the realm of authority of the institutional framework of the EU encompasses the territories of the member states. This means that regarding the areas they have given up the right to decision-making to the institutional framework of the EU, they have also eroded their capacity of autonomous decision making, as illustrated by the Court of

Justice cases analyzed in previous chapters. In other words, they are dependent and bound by the decisions made at the EU level.

Yet, has the institutional framework of the EU developed as that of the nation-state? The process of enlarging of the Union embarked in 1997 has brought about the need for institutional reform. In the EU, 'widening', i.e. enlargement of the Union, goes hand in hand with deepening, i.e. institutional reforms. Recently, in May 2000, German foreign minister Joschka Fischer declared the need to stretch the integration process and "to move towards stronger central government if it was to provide a workable framework for the doubling of EU membership with its own Constitution" (Herald Tribune, 18 May 2000; Financial Times, 18 May 2000). Then, these federalist visions were supported by the French President Jacques Chirac (Financial Times, June 18 2000). This contemporary debate on the idea of a "Federal Europe" points out to the fact that the institutional framework of the EU is still in a process of evolving. In the coming Nice Summit a major item on the EU agenda is institutional reforms, prior to enlargement of the Union.⁵³ Additionally, this debate is a demonstration of the resilience of the two axis: the supranational and the intergovernmental. Would the intergovernmental bargains in Nice result in steps towards more supranationality, meaning further erosion of sovereignty of the member nation-states?

⁵³ Nice Summit will be held on December 2000 under French presidency, the issues on the agenda of the Nice Summit are considered in the Feira Summit held on 19,20 June 2000.

3.2. The Institutional Structure of the European Union

The Commission, the Council of Ministers, the European Parliament and the Court of Justice are established as the major institutions of the European Communities. A parallel development within the movement of European integration was the institutionalization of the Intergovernmental Conferences (IGC), which until 1975 were held on *ad hoc* basis. This meant the institutionalization of the “European Community summitry”, the decision was taken at the Paris Summit, December 1974, under the French Presidency and assumed “thrice-yearly Community summits, henceforth known as European Councils” (Dinan, 1994:89). Arising from the pressing need to overcome the crisis of 1970s, the regularization of the Summit meetings meant to endorse communication between the heads of the Member States in order to strengthen compromise and cooperation. The European Council is an intergovernmental institution within the Community, yet as it will be explored further in this chapter, it worked to strengthen the supranational character of the European integration (Dinan, 1994:230). As an illustration, another important decision made at the Paris Summit brought “regular Community-wide direct election to the European Parliament”. This was a supranational step forward in order to balance the intergovernmental axis thought to be strengthened by the European Council (Dinan, 1994:89). Despite the hardships before their ratification, the SEA, the Treaty of Maastricht and the Treaty of Amsterdam are all outcomes of the summit

meetings of the European Council.⁵⁴ Yet, they have all brought about supranational reformations in the institutional structure of the Community.

However, in retrospect, it was the Maastricht Treaty which made the most fundamental restructuring in the institutional framework of the European Community. First, labeled as the Treaty on the European Union, it transformed the European Community into the European Union. As mentioned in Newman (1996:1) and in Best (1994: 18), the first article of the Treaty mentions “the definition of what the European Union is intended to be”:

By this Treaty, the High Contracting Parties establish among themselves a European Union, hereinafter called ‘the Union’. This Treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizens. The Union shall be founded on the European Communities, supplemented by the policies and forms of cooperation established by this Treaty. Its task shall be to organize, in a manner demonstrating consistency and solidarity, relations between the Member States and between their peoples.

Second, it established the Union as a three-pillar structure. Consequently, European Communities, Common Foreign and Security Policy, Justice and Home Affairs were set as the three pillars constituting the institutional framework of the EU. The Treaty was a step forward in the process of integration while it maintained both the supranational and intergovernmental axis. In the period between 1970 and 1985, “new forms of joint action” had already increased and emerged within the Community. In addition to the institutional reforms, the

⁵⁴ This refers to such instances when, during the negotiations, Denmark and UK exceptionalism, French skepticism on sharing their sovereign rights on policy issues which they consider of high national interest, complicated the ratification of these treaties. See, Laursen, Finn and Sophie Vanhoonacker (eds.) 1994. *Ratification of the Maastricht Treaty: Issues, Debates and Future Implications*.

“competences and objectives” of the European Communities increased to include regional policies, energy, environment, research and technology and the cooperation in monetary policies. Meanwhile, the cooperation in some other ‘high politics’ domain, i.e. European Political Cooperation, were within the Community framework but mainly under the “political guidance of the European Council” (Best, 1994: 19). This means that even if at an intergovernmental cooperation basis the issues negotiated at the European level by the Member States increased, which led to further restrictions of autonomy in the policy spheres in question. The SEA had introduced most of these forms of cooperation into the framework of the Treaties. Yet, the Treaty of Maastricht has gone steps forward and introduced “everything that the Member States do together under the umbrella of the European Union; and supposedly” installed “a single institutional framework” (Best, 1994: 19). To follow the description of Best (1994: 19-21), the European Communities retained their importance “as the ‘hard-core’ of the integration process”, and Maastricht has increased the objectives and areas of competence of the EC, single currency is one such example. Moreover, it has brought institutional reforms, most important of which is the increased powers of the European Parliament, which is important in terms of supranationality and democracy. In sum, the ‘single institutional framework’ established by the Maastricht Treaty was composed of the traditional European Communities as the first pillar “joined to the Union roof, by two blocks of intergovernmental cooperation: Common Foreign and Security Policy as a ‘second pillar’, and Cooperation in the field of Justice and Home Affairs as a ‘third pillar’” (Best, 1994: 20).

The most important feature of the EU is that it explicitly demonstrated an important move from the economic to the political integration –from ‘low politics to high politics’. In other words, the Treaty of Maastricht was the first explicit step toward forming a political union in Europe. The completion of the Single Market, the European Economic and Monetary Unification project and the idea of European citizenship. And, the increase in the areas of competence of the EC and the formal inclusion of the CFSP and JHA within the umbrella of the EU means further transfer of sovereignty to the European level of decision making, which is not happily accepted by all the members of the EU.

In order to develop a better understanding of how the European Union works, it is time now to explore all the institutions of the Union separately. However, before the exploration ahead, it should be emphasized that a Union of three-pillar structure does neither mean a clear cut separation of the decision-making apparatus of the pillars, nor that all the institutions are common to the three-pillars (Best, 1994: 20). In other words, economic, political, social, environmental etc. policies are all made within the framework of the EU some by ‘Community method’ (EC decision-making framework), some others by intergovernmental processes. This is related to the amount of sovereignty given up to the institutional framework of the EU, and to the nature and scope of the issue subjected to legislation. There are policy areas where it is the space of EU decision-making, some others are done by the member states through EU negotiations, others only left to the member states (Everling, 1997).

3.3 The Supranational Axis

3.3.1 The European Commission

“The European Commission and the Berlaymont, its headquarters building in Brussels, are popularly synonymous with the Community itself” (Dinan, 1994: 200). It is primarily supposed to safeguard the interests of the Community and of the European integration movement in general. As such, within the institutional framework of the European Union it is a supranational institution of the European Communities. The issues are decided upon with simple majority voting. It legally represents the European Union. It is established by the Treaty of Rome as the main “actor in all aspects of policy-making, implementation, and ‘policing’” (Newman, 1996: 32). First of all, the executive function of the Commission is supplemented by its major status in the formulation and implementation of common policies (Karluk, 1998: 109). Although it is mainly an executive organ, it has considerable role in the legislation process. Basically, it is the only institution that can initiate law. A proposal from the Commission is a requirement for the Council of Ministers and the European Parliament to pass legislation. It has the exclusive right to submit proposals to the Council of Ministers. As such, it is designed to be the locomotive of the process of integration. Moreover, the Commission can also “issue directives, regulations and decisions annually” (Dinan, 1994: 221). Consequently, it can be deduced that the Commission is placed at the center of the policy-making and implementing process of the EU.

As already mentioned, the Commission is supposed to represent the interests of the Community. Consequently, it represents also the converged interests of the member states, which is related with the collective identity formation process. Related to this role, the Commission is the organ with the authority to represent the European Union in its international relations. This means another transformation in the traditional understanding of sovereignty. In other words, through the Commission, the EU is externally recognized as sovereign. Thus, to be present at the international deliberations and agreements are within the responsibilities of the European Commission. The Commission has “delegations and offices throughout the world”, which are to conduct the external relations between the Community and the international organizations or the third countries, non-member states (Dinan, 1994: 224). Early on it was specified that the EU is an alternative locus of sovereignty, which it exercises over the territories of the member states.

The European Community has a common (foreign) trade policy. Consequently, the member states do not have individual trade policies, this space is reserved to the EU, they are bound by the regulations of the Community. In this respect, the Commission has the most important role in conducting the common (foreign) trade policy and the international trade relations of the Community (Arsava, 1996: 54). It has the right to go through negotiations to prepare and to sign the agreements on behalf of the Member States. Moreover, the Commission has also an important role in the process of the enlargement of the European Union since it is the organ that negotiates the association agreements. However, it should be

specified that “the Commission is associated but not centrally involved” in Common Foreign and Security Policy, over which the Community lacks competence (Dinan, 1994: 224). Therefore, trade and technical issues and enlargement, which are today important components of foreign and security policies are conducted side by side with the Council and the member states closely follow the overall activities of the Commission. Yet, as already mentioned the Commission has the initiative and executive power. This means that it lies both at the source of the decisions made at the Community level, and that it acts like a government that implements the laws and to which the member states give up their sovereign rights on gradually increasing issues –specifically on issues concerning the internal market. In sum, it can be argued that the Commission, as a supranational apparatus, possess considerable authority in terms of conducting the external relations of the European Union.

Another important role of the Commission is its status in the ‘policing of the Community Law’. This concerns its relationship with the judiciary organ of the EU. It is supposed to safeguard the proper functioning of the institutional framework of the EU. This means that it is assigned to observe whether the legal rules were made by the constituent Treaties and the organs are followed duly. In this respect, in instances of infringements to the Community Law, it is authorized to bring the cases to the European Court of Justice. As mentioned by Dinan (1994: 225), “...the Commission may bring a member state before the Court of Justice for alleged non-fulfillment of treaty obligations...But member states generally respect the treaties; otherwise the Community would collapse”. The “single market

program” has led to the increase in the powers of the Commission “to enforce the Community Law” in the area of the internal market and especially in the issues concerning the ‘competition policy’ (Dinan, 1994: 226). Consequently, the authority of execution of the competition policy within the territories of the member states belongs to the Commission of the EU. In other words, the Commission has the right to supervise the compliance to the competition law of the business enterprises within the territories of the member states (Arsava, 1996: 55). This is another concrete example of the erosion of sovereignty of the nation-state since the Commission has the right to retribution in the form of heavy fine the enterprises within the territories of a member state. Additionally, in case of non-compliance with the competition policy, the case might also be brought to the Court of First Instance. This is an instance of EU exercising its authority in the realm of the national sovereignty, which is at odds with the Westphalian system of states already described in the first chapter. Traditionally, in the spheres of national autonomy it is the national authorities empowered with the Constitution which can exercise authority (Arsava, 1996: 55). Consequently, the autonomy of the state is also undermined, it can not autonomously decide on certain issues, i.e. firm mergers.

However, it should be clarified that the Commission of the EU, in terms of its executive powers is mainly dependent on the institutions of the member states. As an illustration, “without assistance from the member states’ agricultural departments, the Commission could not possibly make the CAP work”, and this is also true for “customs service”, and other services that the Community is

supposed to enforce (Dinan, 1994: 222). Yet, although dependent upon the established institutions of the member states, the space of jurisdiction of the Commission is juxtaposed with that of the nation-state, and this constitute a reformulation of the conception of 'territorial sovereignty' of the modern nation-state. This is because the autonomy of the state is undermined, the state is bound to consider the EU legislation in these matters. The state can neither make nor implement decisions independent from the general framework of EU, in the areas where the Commission is empowered, within the supranational spaces.

Another important responsibility of the Commission is the management of the budget of the EU. It oversees the revenues and the expenditures of the Community. As mentioned by Dinan (1994: 223), it "submits a preliminary draft budget to the two arms of the Community's budgetary authority: the Council and the Parliament" this "is the first step necessary to translate into material terms the Community's political, economic and social objectives". The management and the "preliminary draft budgets" of structural funds such as the European Regional Funds, funds to finance the CAP, funds for assistance to the non-members such as the CEE, are delivered by the Commission. The last debate on the control of the budget of the two intergovernmental pillars by the Commission is an illustration of supranational intergovernmental axis (Monarg, 1997). The suspicion from the member state to move a step forwards to give up their sovereign rights on 'high politics' issues.

Finally, in retrospect, the Commission of the European Union acts, as Delors described, as a “a strategic authority” established to “guarantee the continuity of the integration project despite political or geopolitical hazards”...acting as “custodian of European interests...and as a repository of past achievements,”...the Commission has a unique obligation to point “the way to the goal ahead”...the Commission itself cannot achieve much but it can generate ideas” (Dinan, 1994: 227). As in the case of the ‘single market program’, as illustrated in the second chapter, the Commission is supposed to set strategies in the way toward economic and political integration. The “legislative programming” process, which is realized by the cooperation between the Commission, Parliament and the Council as introduced by the SEA, is one such illustration to make the decision-making procedure operate more effectively and to set the future of the integration (Dinan, 1994: 219).

The last observation to be made about the Commission concerns its organizational structure. First, the Commission has General Directorates through which its activities are conducted, they correspond to the activities and responsibilities of the Commission -economic and monetary affairs, relation with the EP, transport and energy, internal market are example to General Directorates. The distribution of portfolios are supposed to be made according to the Community interests. Second, there are various Committees, which are “advisory, management or regulatory”, which are responsible to “counsel on rule making”, to “help implement” common policies such as CAP, or to realize policy harmonization such as the Common Custom Tariff (Dinan, 1994: 221). They work like a bridge

between the Commission and the member states –competition committee, external relation committee, research and development committee are such examples. Finally, the President of the Commission is appointed by the common decision of the governments of the member states, and by the approval of the European Parliament. The President and the Commissioners form a cabinet to work on effective forward integration. The other members of the Commission, 20 members from all the member states, are supposed to work independent from their nation, which means the Commission is supposed to be ‘collegiate’ without being involved in the power politics –supposed to be equals- considerations of the nationality of the commissioners, the Commissioners are nominated by the common accord of the member states’ governments and the President. Thereafter, the vote of confidence from the European Parliament is important for the Commission to start working. Additionally, the Parliament can dissolve the Commission for reasons of non-confidence. Consequently, the Commission is rendered accountable to the European Parliament. The competence of the EP concerning the Commission are part of attempts to “create an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizens” as cited in the Maastricht Treaty (1993). In other words, the space of competence of the European Parliament, which is a supranational Parliament, and the members of which are directly elected by the EU nationals, is tried to be widened in order to resolve the ‘democratic deficit’ debates going on throughout the EU. Additionally, the fact that the time of office of the Commission was equalized to that of the European Parliament, elected for five years, is an example of establishing closer cooperation between the supranational institutions with

regard to the intergovernmental axis, so as to contribute to the embryonic federal system (Dinan, 2009). This is also to establish solidarity with regard to the Council of Ministers, the main decision making body of the EU (Arsava, 1996: 53). The Commission is also supposed to report its activities annually to EP.

3.3.2 The European Parliament (EP)

The European Commission is worth studying in length because it represents the ‘supranational’ and there is no analogous institution within the framework of the nation-state. The Parliament and the European Commission, as the competence of the former increases, are in close cooperation (Arsava, 1996: 53). It is important in terms of the inter-institutional balance of power. The European Parliament is another supranational institution within the EU, in that it is supposed to act on behalf of the European people, and to act over and above the interests of the individual nation-states. As such, it is supposed to represent the citizens of the EU (TEU, 1993). It is similar to the parliament, the legislative organ of the nation-state. However, it is not the equivalent of national parliament because relatively it considerably lacks legislative powers (Dinan, 1994: 257). Therefore, it remains at the center of the debates on the ‘democratic deficit’ in the institutional framework of the EU. This debate is reinforced by the fact that the members of the EP, since 1979, are directly elected by the citizens of the member states.⁵⁵ Consequently, the introduction of direct elections to the EP was both a step forward in the promotion of democratic accountability to the supranational institution and a further support for the argument that the area of competence of the EP should be enlarged. The

⁵⁵ Before the introduction of direct elections they were sent to EP by the national parliaments of the member states. It was introduced by the Paris Summit 1974.

counterpart of EP in the nation-state, constituted by national elections, is assumed as the cradle of democratic accountability and legitimacy, and is assumed as the representation of the sovereignty of the nation. Consequently, it can be supposed that the EP should have been the lubricant of democracy and the representation of the sovereignty of the people of the Union. Yet, its lack of competence in the decision-making procedure of the institutional framework of the EU renders the EP a relatively powerless institution. However, the members of the EP are constantly working to increase their institutional weight (Dinan, 1994: 257).

It will not be wrong to argue that, gradually, the EP is reasserting its political position in the EU. This is very important for the principal purpose of this thesis because it means a considerable transformation of the traditional Westphalian system, thus a direct challenge to the nation-state by undermining the principle of national sovereignty. As it will be further explored within the context of European citizenship, in the chapter four, the emergence of an alternative locus of loyalty which will represent an alternative expression of sovereignty, that of the people of the EU, would constitute a direct challenge to the basic premises of the modern nation-state. As noted by Arsava (1996: 62), the gradual increase in the space of common policies is accompanied with the narrowing down of the space of national sovereignty and autonomy of the member nation-states in the areas of individual policy formulation. Consequently, to solve the problem of 'democratic deficit' within the EU becomes an important issue. In other words, the citizens of the member states are directly electing their national parliament, which transfers or gives up amounts of its authority and sovereignty to the EU. Yet, within the

institutional balance of the EU, it is the Commission and the Council of Ministers which have relatively more power with respect to rule-making. Consequently, even though the members of the EP are elected directly, their relative weight in the decision-making procedures of the EU remains small. Increase in the powers and area of jurisdiction of the EP would mean direct transfer of loyalty from national to the European level (this involves integration in high politics), and would considerably contribute to the federalists support for the establishment of a Federation from the EU, and with respect to democratic principles. But, this is yet far from being achieved.

To begin by the 1980s, specifically with the introduction of SEA, to be followed with Maastricht and Amsterdam Treaties, EP has been accorded considerable institutional competence. Consequently, the powers of the EP in the process of legislation and in the supervision of the activities of the EU increased. Yet, before furthering this exploration on EP's institutional development, the areas over which EP has jurisdiction need some clarification. This is also required because the degree of EP's competence is dependent on the area over which it should take action. The increase in the space of authority of the EP is a cumulative process. In other words, EP, primarily as the institution of the EC, was mainly empowered on the issues relating to certain aspects of the 'internal market'. Yet, along the process of integration, the areas over which EP is involved are, as it will be touched upon, increasing. In this context, its degree of competence is also issue specific, in certain policy areas it functions only as a consultative organ – 'amendment of the treaties', 'approximation of laws'. But, in some others it is

more directly involved in the legislative process such as ‘internal market’, ‘public health’, ‘association agreements’.

When it comes to explore in further details the functions of the EP within the institutional framework of the EU, firstly, since its establishment the EP was intended to function only as a consultative organ. This meant that the proposals of the Commission could not be approved before the Parliament submits its avis on the forthcoming legislation (Dinan, 1994: 274). Against *de facto* weaknesses of the Parliament in making its amendments accepted within the institutional mechanism of the EU, the SEA, the Maastricht and the Amsterdam Treaties reinforced the prerequisite of consultation and extended the areas of policy for which consultation was the requirement. As illustration, ‘citizenship rights’, “certain aspect of monetary policy”, “main aspects and basic choices on CFSP and CJHA” can be mentioned (Dinan, 1994:275). As Karluk (1998: 125) noted, contemporarily, the Parliament submits to the Commission and the Council its opinions on almost all important issues. According to the Article 149 of the Treaty of Rome (EEC Treaty), where the procedure of consultation is described, there is no time limitation for the Parliament to submit its opinion on a given legislation proposal. Then, the Council of Ministers, depending on the subject of the legislation, adopts either by ‘qualified majority voting’ or by unanimity by the proposal initiated after the process of consultation.⁵⁶ It can be deduced that this is very important for the simple fact that the Parliament can block a legislation by delaying to submit its avis. In this case, even if the legislation is agreed upon in

⁵⁶ As it is clarified in the section exploring the Council of Ministers, some legislation are subject to qualified majority voting (qmv), some others to unanimity voting.

the Council, it can be declared void by a ruling of the Court of Justice because of its unconstitutional nature.⁵⁷ As it will be explored later on, the Court of Justice has a basic role in the resolution of the inter-institutional problems, and acts as the guarantor of the proper functioning of the institutional system of the EU. The ‘Isoglucose case’ illustrates the importance of the EP.

Secondly, the SEA (1987) introduced the ‘cooperation procedure’. According to this procedure, after the initiation of the Commission’s proposal, and the submission of the opinion of the Parliament, the Council adopts a ‘common position’, the decision which is sent back to the Parliament for consideration. If the Parliament rejects (absolute majority voting is required) the common position, the Council has the power to overrule (unanimity voting is required) the decision of EP. If the Parliament proposes amendments (absolute majority voting is required), the position of the Commission is important. In case when the institutional power balance favors the Parliament, the Council either overrules (unanimous voting is required), accepts (by qualified majority voting (qmv)) the amendments, or does not take action and the proposal lapses. The introduction of ‘cooperation’ into legislative process was initially intended to cover the issues relating to the single market program, but were then extended gradually in the post-Maastricht and post-Amsterdam eras to cover other aspects of policies such as education, certain issues concerning ‘justice and home affairs’. Thirdly, the ‘co-decision procedure’ is introduced by Maastricht Treaty (1993) and reinforced further in post-Amsterdam Treaty era. It applies to certain aspect of legislation on

'internal market', 'free movement of persons'. Its difference from the 'cooperation procedure' is that, concerning certain kinds of legislation, if the conflict between the Council and the Parliament persists, a conciliation committee formed from members of Parliament and Council try to reach a consensus within the time required on the legislation draft. If a consensus is reached, the Parliament (absolute majority) and the Council (qualified majority) have to approve the final draft of the legislation. This is important for the very simple fact that in case of failure of approval, the legislation cannot be issued. Another possibility is that the committee in question cannot reach any conciliation within the time required. In that case, the Council can adopt its initial 'common position', sometimes by including the amendments of the Parliament. In the Treaty of Maastricht, for such a legislation, 'qmv' was sufficient, but the Treaty of Amsterdam introduced the necessity of unanimous vote for such an act of the Council of Ministers. Consequently, the EP's legislative power was reinforced. Additionally, in the post-Maastricht period, the Parliament, by absolute majority voting, can render the decision of the Council of Ministers invalid. Finally, the Parliament also acquired considerable institutional powers in terms of supervising the Commission and the Council of Ministers. EP's supervisory powers over the Commission were already explored in the section explaining the European Commission. It remains to study how the Maastricht Treaty rendered the Council of Ministers somehow accountable to the Parliament. EP, since 1993, has the right to give an interpellation to the Council of Ministers. Thus, EP has the right to require from the Council to reports on its activities.

⁵⁷ As specified, the sources of EU law are the regulations within the Treaties, directives issued at the end of the legislation processes, the decisions or rulings of the Court of Justice.

A final and very important power, which is accorded to EP concerns the budgetary matters of the EU. It shares with the Council of Ministers the responsibilities concerning the European Community's budget. The EC, since 1970s, possess its own financial resources. This is important because this gives EC relative independence from the member states in the implementation of the Community Law. Yet, it should be emphasized that the space of budget control includes small areas as compared to traditional national budgets. The areas concerning the internal market, the common agricultural policies, regional and structural funds to promote "economic and social cohesion" in the Community falls within the authority of the EC, whereas public finance and security matters are dependent on the contribution of the member states. The Parliament is mainly involved in non-obligatory spendings, the obligatory ones are mainly decided by the Council. It is the Commission which implements the budget decisions, the Parliament together with the Court of Auditors supervises the implementation and has the right to discharge the budget. Although the weakness of EP *vis-a-vis* the national parliaments lies in this weakness of authority on the budget, which mainly concerns the redistribution of the resources, the budgetary powers of the EP is increasing. The capacity to meet the expectation (health, social security, defense, education: public finance the management of which is the function of the modern nation-state) (Dinan, 1994: 273) of the people is in a considerable extent related to the redistribution of the resources. Thus, control over the budget is very important, as well as whether this control is supranational or intergovernmental in

nature. Today debates on the issue are going on such as how to finance the CFSP, the CJHA pillars or Social Policies of the Union.

The composition of the European Parliament, just like the composition of the Commission, is determined by the relative size and population of the member states. The President of EP is an elected official and besides presiding in the 'plenary sessions' of the assembly, he represents the Parliament and participates to the summit meetings of the European Council. This is important because the chair of the presidency constitutes a bridge between intergovernmentalism and supranationalism. Eventually, the Parliament is mainly composed from political groups: the Socialist Group, the European People's Party, Liberal Democratic and Reformist Group, the Greens Group in the EP are some illustrations to these parliamentary groups (Nugent, 1999: 223; Karluk, 1998: 120; Dinan, 1994: 266). The main point is that, the groups are not constituted on national grounds. In other words, the groups are not primarily formed on the basis of nationality of the members of the EP, on the contrary, it is expected that the groups transcend the national lines. The national political parties are the main reference for EP's political groups, which are made up from "coalitions of national political parties...based on ideological affinity, sectoral interests, and convenience" (Dinan, 1994:263). For instance, the European People's Party is composed of Christian Democrats and Socialist Catholics. Therefore, the main point is that the 'groups' in the EP are a representation of the national political parties across the member states. A striking illustration is the emergence of the Technical Group of the European Right as a reflection of the rise of the extreme right-wing parties on the

EU members' national political settings. This group is formed by a coalition among the French National Front, the German Republican Party and some others. Even though marginalized by the rest of the groups in the EP and part of an uncomfortable coalition, they managed to agree for instance on the negative aspects of the immigration (Dinan, 1994: 265). Another case is that the organization of EP allows for the formation of "intergroups" because there is no central government to be supported. This means that some members of the EP from different parliamentary groups, can form sub-groups on the basis of their common interests. The 'Crocodile Club', illustrated in the second chapter, and which is formed of 'federalists' is a major example. The last important components of the parliament to be mentioned are the committees. These committees play very important function in the conduct of the activities of EP. As the names suggest, 'Foreign Affairs and Security', 'Legal Affairs and Citizens Rights', 'Institutional Affairs', 'Economic and Monetary Affairs', 'Budgets', 'Women's Rights', 'Culture, Education, Youth, and the Media', 'Regional Policy and Regional Planning' are some examples to the Committees responsible to work on the policy areas into which the EU is involved (Nugent, 1999: 236).

As it will be further explored in the last chapter under the heading 'The Citizens of the European Union', although EP in terms of both its organizational structure and its relatively weak position in the legislative framework of the EU, is reasserting its power cumulatively. First, as suggested by Dinan (1994: 268), the parliamentary groups in the EP "provides an infrastructure" for the evolution of the cooperation between the political parties from the different member states. In

other words, they are perhaps in the long-run the basis for the formation of “transnational political parties” at the EU level to represent the citizens of Europe. Secondly, as Arsava (1996: 64) suggests, even if not the most competent organ of the Union, the EP has relatively strong relations with the citizens. The principle of ‘transparency’ is followed. Additionally, with the increase of its legislative and supervisory powers, the interests groups are in closer contact with the EP. Fourth, the EP works on building closer relations among the people of the Union. As an illustration, the proposal which suggested to add a ‘European culture dimension’ into the educational agenda of the member states is such an example. Finally, as already mentioned, the resolution of the ‘democratic deficit’ is an issue on the permanent agenda of the EU, which can only be done through increasing the powers of the EP. But, paradoxically, such an increase would slow down the pace of European integration.

A final consideration to be made relates to another institution of the EC, it is the **Economic and Social Committee (ESC)**, which is composed of transnational interests groups i.e. commercial and industrial interests, labor unions. It functions as a consultative organ to the EP and the Commission. It has an indirect contribution to the decision making processes.

3.3.3 The European Court of Justice (ECJ)

The essential performance that the European Court of Justice demonstrates in the European integration movement was already emphasized in chapter 2, where empirical cases depicting moves toward further supranational and corresponding

regression in the sphere of sovereignty of the member states were considered. In this section, the functions, organization and responsibilities of the ECJ within the institutional network of the EU will be explored. Then, in chapter 4, the relations of the 'supranational courts' with the citizens of the EU will briefly be touched upon.⁵⁸

To begin with, the European Court of Justice is supranational. As a principal concept underlined in the overall framework of this thesis, this refers to an institution supposed to act "above or beyond national jurisdiction"; generally established by the consent of the member states but "legally binding" its subjects with or without their consents; its "objects" may be individuals; it is in some respects similar to a 'federal court'; "the governments are, in matters specified by the various treaties, bound to comply with decisions" (Volcansek, 1997: 3-5). The ECJ is composed of "fifteen Judges", assisted by nine Advocates General", they are appointed by the member states (Gormley, 1998: 249).⁵⁹ Its functions, within the institutional framework of the EU, as the judiciary organ. Its "judicial decisions" are sources for the Community Law and to a great extent binding (Dinnage and Murphy, 1996: 146). As the classical conception of 'court' suggests, in its activities, the ECJ, must carry the qualities of independence and impartiality (Volcansek, 1997: 5-7). Moreover, since it is established as a 'supranational court' it must function beyond the territories of the member states and without any regard to the nationality of the parties involved in disputes brought under its

⁵⁸ The Court of First Instance and the Court of Justice

⁵⁹ This generally corresponds to one Judge per member state.

jurisdiction. To put this somehow differently, the jurisdiction of ECJ extends over the territories of the member states, yet in the conduct of its activities it is expected to be free from the possible interference from the part of any member nation-state. Therefore, the realm of sovereignty of the member states intersects with the areas of competence of the ECJ, which is itself legitimate to the extent it is independent or autonomous from any individual national interests. It is the ECJ in its preliminary rulings on many of the 'Community cases', argued for the supremacy, "direct effect" and autonomy of the Community's legal system (Witte, 1999: 178; Dinnage and Murphy, 1996: 84-).⁶⁰ "For national courts...when an EC rule applies in a given case, any conflicting national norm should immediately be set aside"; therefore, the national court, which is supposed to be the most independent institution of the nation-state, recognizes the rulings of the ECJ and the EC Law as a "source of law to be applied to individual cases" (Witte, 1999: 188). All these qualities, as demonstrated also in chapter 2, renders ECJ one of the push factor for the European integration movement. Moreover, as explicit in this thesis the *constitution* of a legal system is the backbone of the socialization process (Weiler, 1997). As the legal structure develops the European society emerges (Wendt,). In retrospective, the presence of ECJ, as a supranational Court is in itself an instance in the transformation of the classical Westphalian system of states in Europe because the territorial sovereignty is undermined . The ECJ and the national courts share some considerable judicial powers over the territory of the member states.

⁶⁰ 'Van Gend En Loos', 'Cassis De Dijon', 'Costa v. ENEL' are illustrations in chapter four For a detailed analysis of basic community cases, see Rudden, Bernard, Diarmud Rossa Phelan. 1997. *Basic Community Cases.*

In order to resolve the probable conflicts arising between; the member states, the institutions, the member states or the persons and the Community, the ECJ plays a decisive role. These are “direct action” cases brought to the court. The cases concerning mainly the proper interpretation of the EC law, so that it is implemented uniformly in all of the member states, are “the preliminary rulings”. This happens when a national court “requests” the guidance of the ECJ (it is also supposed to be under the “authoritative guidance”) (Dinan, 1994: 299). Thus, the resolution of the conflicts arising within the institutional framework of the EU falls within the responsibility of the Court. The ECJ is recognized as the only authority in cases of conflicts concerning the interpretation and implementation of the ‘Community Law’ (Arsava, 1996: 66). As observed by Dinan (1994: 296), “the ECJ has seen the original treaties not simply as narrow international agreements but, because of the member states’ unique decision to share sovereignty, as the basis of a *constitutional* framework for the Community”. In this context, the sources of the laws, which constitute a basis for the proper functioning of the European integration system can be studied under two heading; “the primary legislation” and the “secondary legislation” (Gromley, 1998; Dinan, 1994: 296). The former encompasses the legislation setting the principles and the rules of the system, these are the treaties in general. The latter includes regulations, directives, decisions, rulings issued by the institutions. The most important faculty of this legal framework is that it is binding the member states. In other words, all the member states which have adopted the “*acquis*

*communautaire*⁶¹ of the EU are bound with it. This also implies that these member states share their sovereign rights with the EU. Moreover, they are no longer autonomous in their domestic decision-making procedure in that they are bound to consider the decision made within the institutional framework of the EU.

A last consideration to be made is about the ‘enforcement powers’ and the limitations of the jurisdiction of the ECJ. First, it should be emphasized that enforcement in cases of non-compliance is one of the weaknesses of the legal system in question (Arat, 1996: 51). Yet, in these cases, the duty to enforce a right to satisfy a judgement is the responsibility of national executive department. It was demonstrated in the preceding chapters that conformity to the ‘Community legislation’ is in most of the cases cost-effective. Additionally, in the post-Maastricht era, the Court was empowered with certain rights to enforce the legislation. ECJ was allowed “to impose a fine on a member state for refusing to act upon a Court ruling” (Dinan, 1994: 304). Secondly, in terms of the limitation of the areas of jurisdiction of ECJ, it is clear that its jurisprudence mainly encompasses the economic process of integration because the ‘Community Law’ mainly consist of the ‘constitution’ of the economic integration (negative integration). Yet, its authority to interpret the Treaties, and its role as inter-institutional arbiter still leaves ECJ with considerable competence. Moreover, the ‘unwritten law’, which is another important source of the Community law that fall under the competence of ECJ, is mainly a combination of the Court’s decisions, of the EC law, of the general principles of law, and of the laws in the member states

⁶¹ “*acquis communautaire*” refers to the overall legal framework of the EU.

(Gormley, 1998: 275-278). In other words, the ECJ use while interpreting EC laws or deciding on a case. As illustrations, in cases where no written rules apply “the principle of sincere cooperation” and “State liability in damages for losses suffered by individuals as a result of a failure by the State to fulfil its obligations under Community law” are some principles used by the Court in its judgement (Gromley, 1998: 277-278). The development and the use of an ‘unwritten law’ can be considered as an instance of socialization, construction of common codes of conduct and identity within the framework of EU.⁶² Therefore, in retrospect, politically, in its institutional career, the ECJ, has furthered the movement of European integration, which has evolved today from a Community to Union framework or system. Therefore, it has been also involved indirectly in the process of positive integration. However, as the latent component of the framework of this thesis suggests, the process of integration brings with fragmentation. Sub-national actors can bring national actors to the Court.

As the explorations in this section combined and reconsidered with the illustrative cases in the second chapter, the decisions of the ECJ, its ‘direct actions’, and its ‘primary rulings’ that is its power to interpret the ‘Constitution of the EU’⁶³, have had a decisive impact, first, as a stimulus furthering the process of integration in Europe (Gormley,1998: 290), and as a mechanism relatively strengthening the

⁶² It is implicitly referred to ‘collective identity formation’ through the mechanisms of repetitive actions of the legal system, the principles of which are derived from general principles of law, member states laws and EC law combined. A process part of the constitution of EU.

⁶³ The ECJ is the institution of the EC, yet in the period following the TEU the concept of EU is also widely used. Considering *de facto* inter-institutional dynamics between the pillars this would not be wrong.

power of the localities because it allows local actors to bring a member state before the Court for infringement of the Community Law. Finally, as a basic institution taking part in the process of the transformation of the classical Westphalian order underlined in this thesis.

3.3.4 The Court of First Instance

As the European integration process evolves, the ECJ is faced with further cases to deal with. Additionally, ECJ's rather 'Constitutional' or 'Federal' framework requires its proceedings to be time effective so that the process of integration continues with minimal legal infringements. However, as the amount of the individual cases brought to the Court increases, it functions relatively slower. Therefore, the CFI, established by the SEA, shares some of the functions of ECJ. It is basically, like the ECJ, composed of one Judge from each member state. This, as in the case of ECJ is important because, in dealing with the cases brought to the court, there is a combination of the aggregation of the national legal experiences and of the legal system of the EU. Consequently, as a supranational court, the CFI like the ECJ contributes to the development of a common, shared legal framework. Yet, the space of the jurisdiction of the CFI is narrower than that of the ECJ. The cases requiring 'preliminary ruling' are excluded from CFI's domain. Additionally, the CFI is authorized to hear only certain cases such as "Actions for annulment, for failure to act, or for compensation for damage brought by legal or natural persons" (Gormley, 1998: 268). Debates are going on to further the responsibilities of the CFI so that to decrease the burdens of the

ECJ. As a second supranational court, the CFI is asserting its part in the judicial framework of the EU.

A final court is the **Court of Auditors**, it has no jurisdictional powers, yet it is responsible for the management of the EC budget. It also assesses and reports whether the budget has been efficiently used for the activities of the EC.

3.4 The Intergovernmental Axis

3.4.1 The Council of Ministers

The Council of Ministers is the major decision-making apparatus within the institutional framework of the EU. The member states are represented at national governmental level in the Council. According to the legislation to be considered, each of the member states send its ministers concerned with the issue in hand. Additionally, the foreign ministers from each of the member states are “regarded as the main representatives” of these states at the Council level (Dinnage and Murphy, 1996: 27). The Council has a Presidency, which rotates between the member states every six months. There is also a Committee of Permanent Representatives (COREPER), which is composed from “national ambassadors to the Community” and assisted by “officials drawn from diplomatic services and appropriate national ministries” (Dinan, 1994: 250, Dinnage and Murphy, 1996: 27). The main function of COREPER is to work on the developments within the framework of the EU. For this purpose Committees like those of the Commission are established on areas relating to the integration process, which extends from

agriculture to external affairs. Moreover, they are expected to report on the developments at the Union level to their national governments.

In the period preceding the introduction of the Treaty on the European Union, the Council of Ministers as the institution of the EC was mainly involved in the decision-making process relating to the economic integration. However, the establishment of a three-pillar structure by the TEU brought about new functions to the Council. In addition to its traditional policy making competence relating to the first pillar, the Treaty conferred to the Council “responsibility for the intergovernmental cooperation that is to be developed under the umbrella of ‘European Union’” (Dinnage and Murphy, 1996: 29). It is useful to add that in the mean time, the Commission also acquired competence relating to the initiation of proposals relating to the intergovernmental cooperation areas.⁶⁴

The Council of Ministers, as observed by Dinan (1994: 230), is the embodiment of both supranational and intergovernmental elements. To begin with, as the study of the others actors, within the institutional framework of the EU involved in the decision-making process has suggested, the Commission and the Parliament are important components without which the Council, especially in certain domains

⁶⁴ The process of intergovernmental cooperation mainly involves CFP and CJHA. As it was already specified in the section relating to the Commission, external economic considerations cannot be excluded from considerations relating to common foreign policy. Additionally, the issues relating to CJHA such as ‘migration’ can not be opted out from internal economic policy consideration such as ‘labor force’. As it will be touched upon in chapter 4 the Amsterdam Treaty transferred many JHA policy issues to the EC pillar and the new title of JHA came to be known as “Provisions on Police and Judicial Cooperation in Criminal Matters”. See, Nugent, Neill. 1999. *The Government and Politics of the European Union*.

of the integration process, cannot issue legislation. The dialogue and cooperation between these institutions is gradually strengthened from Rome to post-Amsterdam period (Dinnage and Murphy, 28-29). Second, the decision-making procedures within the Council are important determinants of the balance between the supranational and intergovernmental. In this respect, the Treaties underline basic voting procedures (Nugent, 1999: 166-175). The typical intergovernmental decision-making method is by 'unanimity voting' (all of the member states must agree on the legislation). In the period preceding mid-80s, specifically with the 'Luxembourg Compromise'⁶⁵, this was the most widely used procedure. Yet, by the introduction of the SEA, the TEU and the Amsterdam Treaty there has been a considerable increase on the amount of issues legislated by the 'qualified majority voting' (70% of the total votes) and 'simple majority voting' (more than 50% of the total votes). The works of the Commission, the Parliament and the summit meetings of the European Council have had a considerable contribution to the institutionalization of these voting procedures. According to the contemporary framework, 'unanimity voting' applies mainly to the legislation which falls under the CFSP and 'Police and Judicial Cooperation' pillars of the EU, yet 'constructive abstentionism applies', this allows a member state the right to not participate in the voting procedure. It should also be specified that some decisions concerning the implementation of the CFSP and a few decisions relating to JHA can be taken by qmv. Certain EC domain decisions such as those relating to 'financial' issues are also made using this method. As mentioned, in order to amend or reject legislative proposals, basically in cases where the Commission is

⁶⁵ This is an agreement between the member states, led by the French government under De Gaulle (1969), to enforce the principle of unanimity voting. See chapter two for further details.

reluctant, unanimous vote is requested. When it comes to the cases for qmv, almost all the legislation that falls under the domain of the first pillar is decided by this procedure. Finally, the 'simple majority' procedure applies to certain aspects of Common Commercial Policy and for "procedural purposes".

The process of legislation is a lubricant for the process of integration in Europe. In almost all the social systems, as the socio-economic and political dynamics change, there is need for new arrangements to meet the moral and material needs emerging from the new circumstances for the survival of the social system. Consequently, the establishment of a constructive dialogue within the umbrella of the EU, and first and foremost between the member states, is one of the major prerequisites for furthering integration. The proceedings of the Council can in some cases function so as to slow down the processes of EU. The reluctance from the member states to give up too much sovereignty to the Union is at the center stage of within EU tensions. The considerations of national interests and identity lies behind the scenes of the protective approaches towards national sovereignty and democracy (Newman, 1994: 2). However, as it was already delineated in the second chapter, with reference to some specific empirical cases that furthered integration, institutionalized through the movement of European integration the European Council has been a convenient communicative platform. It can be suggested that in most of the cases it succeeded both to reconcile the member states and to bridge the supranational and the intergovernmental.

4.4.2 The European Council

After the launch of the European integration project, the leaders of the member states were used to held informal intergovernmental meetings in order to communicate the issues relating to cooperation and integration. In the period of 'Euroclerosis' (1970s), the institutions of the Communities proved to be working inefficiently to deal with most of the internal and external challenges that the process of integration was facing. Specifically, the increase in the relative weight of the intergovernmental axis in the decision-making process induced corresponding attempts to give priority to national interests over the Community ones. The member states came to be increasingly reluctant to give up sovereignty to the institutions of the Community. There was a pressing need to reestablish trust between the member states. Consequently, under the cooperation of French and German governments, which constitute a main sub-system that determines the prospects of integration, it was decided to institutionalize the intergovernmental conferences hitherto held (Shoutheete, 1994). To serve this purpose, at the Paris Summit on December 1974, the European Council was established. Then, its role was reasserted by the SEA. However, it is the Maastricht Treaty that incorporated the European Council within the institutional framework of the European Union, and gave it a formal status. As set in the Common Provisions of the TEU (Article D),

The European Council shall provide the Union with the necessary impetus for its development and shall define the general political guidelines thereof. The European Council shall bring together the Heads of State or of Government of the Member States and the President of the Commission. They shall be assisted by the Ministers for Foreign Affairs of the Member

States and by a member a of the Commission. The European Council shall meet twice a year, under the chairmanship of the Head of State or of Government of the Member State which holds the Presidency of the Council. The European Council shall submit to the European Parliament a report after each of its meetings and a yearly written report on the progress achieved by the Union.

In order to realize these goals, first it should constitute a suitable platform for the member states to discuss the issues, to socialize and to develop trust. The member states, at least at the Council level, have to develop the outlook that they have shared a common past and that their future is bound together. This will lead to tendencies toward giving up more sovereignty to the supranational institutions. Second, the European Council also communicates with other institutions. The President of the Council of Ministers and the European Council are the same person, his/her role is mainly to establish a coordination between the member states. In fact it can be suggested that the Council of Ministers and the European Council are “related but separate entities” (Dinan, 1994: 229). As mentioned, the President and members of the Commission participate to the regular meetings of the European Council. Finally, the EP has to be regularly informed about the activities of the European Council. As such, what happens at the summits is made known to the public. As mentioned, the EP is the institution which is the closest to the European people. Therefore, there is inter-institutional network of communication and cooperation. The European Council can be considered as a means to bridge the supranational and the intergovernmental axis within the EU so that to prevent major infringements on the European integration process.

The European Council is not the legal institution of the first pillar, it is outside the supervision of the Court of Justice. Yet, it also has the capacity to set the agenda relating to the supranational pillar because the EC is under the umbrella of the EU. The European Council is the intergovernmental leg of the EU, where the member state participate with the principle of national sovereign authority. The realm of activities of the European Council basically encompasses the second and the third pillars widely known as CFSP and JHA. Additionally, as will be clarified in the chapter 4, it also deals with certain aspects of 'Economic and Monetary Union'. Finally, matters related to the process of enlargement are considered. In broader terms, the European Council is primarily involved with determining the direction of integration issues relating mainly to 'high politics' domain, where the member states are most cautious in terms of the sharing of their sovereign rights. Nevertheless, most decisive steps in deepening the process of integration, such as institutional reforms leading to further supranationalism, the SEA, Maastricht and Amsterdam Treaties are all established by the contributions of the 'Presidency Conclusions of the European Council', which set the future agenda of the EU.⁶⁶ The latest European Council meeting was under the chairmanship of Portugal, in Santa Maria Da Feira (19-20 June 2000). In this meeting prospects on the functioning of the EU and future integration steps are considered. One of the main issues discussed at the present state of the process of integration is the institutional

⁶⁶ The stimulus for further integration and convergence provided by the European Council are further illustrated in chapter 2 and 4. See also Gormley (1998: 186),

reforms required before the process of enlargement.⁶⁷ It is set in the Presidency

Conclusions of Feira European Council (19-20 June 2000)

Significant headway which has been achieved by the Conference in considering Treaty changes which will ensure that the Union continues to have properly functioning, efficient and legitimate institutions after enlargement. The European Council considers in particular that the provisions on closer cooperation introduced into the Treaty of Amsterdam should form part of the Conference's future work, while respecting the need for coherence and solidarity in an enlarged Union.

This statement mainly points out to the institutional reforms to be considered at the European Council summit, which will take place under the chairmanship of France, in Nice, on December 2000. Two issues lie at the center of the current considerations on institutional reforms. To begin with, after the recent press declaration of the German Foreign Minister Joschka Fischer, debates on the 'constitution' of a 'Federal Europe' reemerged (*Herald Tribune*, 18 May 2000: 5-6). According to Fischer, "Europe had to move towards stronger central government" and suggested "to move toward a European federation" and a "European Constitution" (or a treaty) "dividing powers between national governments" and the EU, and to have a directly elected President for the Commission or the EP (*Financial Times*, 18 May 2000; *Herald Tribune* 18 May 2000). This general framework proposed by Fischer envisages the completion of the political union under the European Union. This is a critical proposition because it raises many questions in terms of giving up sovereignty to the institutions of the EU on high political issues such those relating to CFSP or CJHA. Would this lead towards the supranationalization of the intergovernmental

⁶⁷ This points out to the fifth enlargement process on the agenda, Hungary, Poland, Czech Republic are some countries the memberships of which are considered. Yet, the provision of Feira summit conclusion states that the end of the IGC on institutional reform should precede the enlargement negotiations. See Santa Maria Da Feira European Council Presidency Report on the Enlargement Process (Annex 2).

pillars? What would this imply in terms of the 'citizens of the EU' and the 'democratic deficit'? Would this mean a transfer of loyalty from the national level to the supranational level and subsequent national political convergence? The debates are going on among the member states. On the one hand, France seems to be less enthusiastic than its German counterpart, yet President Chirac "endorses idea of a constitution for EU" (*Financial Times*, 28 June 2000). Although the Franco-German sub-system is important with respect to deepening the process of integration, it is not the sole determinant. UK's position favors the proper balance between the supranational and the intergovernmental axis (*Herald Tribune*, 30 June 2000). It should be emphasized that other member states are also skeptical to the idea of sharing their sovereign rights with a 'Federal' central European governments (*Herald Tribune*, 18 May 2000: 5). On the one hand there are considerations of 'power politics', which questions the relative power of member states in the decision-making processes. On the other hand, there are member states which are slower in accomplishing some of the prerequisites of the integration processes, such as those of EMU.

The second issue involves the "provisions on closer cooperation" of the Amsterdam Treaty. As it was already suggested, the European integration process, which takes place within the umbrella of the European Union, is constituted by many sub-processes of integration ranging from economic, social, monetary to foreign security and defense policy domains. As mentioned in certain issues, specifically within the framework of the first pillar of the EU, the member states have given up their sovereign rights to the supranational institutions. Yet, in

certain other issues, mainly relating to political unification domain, the decisions are made by the intergovernmental procedures. However, some member states, mainly the core-six, accomplish the processes of integration faster than the other members. This means that they are much closely integrated than the other members. As an illustration, not all the member states are integrated into the EMU framework, and the same applies for CFSP. This is either because of their reluctance to give to the Union sovereign rights over their territories relating to certain areas of integration or because they can not meet the prerequisites for further integration. Therefore, the essence of 'closer cooperation' is the idea of 'flexibility in the European Union' (Philppart and Edwards, 1999: 87). This principle involves the "authorization for Member States seeking closer co-operation to make use of the institutions, procedures and mechanisms' laid down by the TEU and the TEC" (Philppart and Edwards, 1999: 90). This is strongly backed by "founder members of the union such as Belgium, the Netherlands and Luxembourg, and to a lesser extent by Germany and France" (*Financial Times*, 14 June 2000). The major purpose is to prevent the economic and political unification movements to slow down as the resulting from individual national interests considerations or the forthcoming enlargement process.

To summarize this exploration of the institutional framework of the EU and the current 'institutional debates' in hand, there are two basic conclusions, which can be drawn relating to the subject matter of this thesis. First, the current institutional state of the EU and considerations about the ideas of 'Federal Europe' and 'closer co-operation' demonstrates the extent to which the traditional Westphalian system of states on the European Continent is experiencing a transformation. The

traditional conceptions on the nation-state is seriously challenged. The sovereign rights of the member states are shared with the EU. In most of the issues, specifically relating to the economy, the EC exercises authority over the territories of the member states. The member states can no longer make autonomous decisions in many policy areas since they are bound to consider the EU level negotiations, and specifically after the completion of the common market. Consequently, the process of integration has largely undermined the member states' capacity to meet the material and moral expectations of their population because in most of the cases they can no longer adopt individual macroeconomic or social welfare policies without agreement at the Union level. Moreover, they are sharing most of their resources such as those relating to the development of foreign trade. Therefore the member states are dependent on the EU. Second, the integration process has also fragmentary effect. In other words, the consideration of the 'closer cooperation' involves a flexible model of integration. This could bring about "an increasingly diverse EU, with different numbers of members pursuing different sets of policies, within one broad institutional framework" (*Financial Times*, 14 June 2000).

CHAPTER 4

THE EUROPEAN ECONOMIC, MONETARY AND POLITICAL UNIFICATION: “‘THE ART OF THE POSSIBLE’ OR THE ART OF *CREATING THE POSSIBLE*”⁶⁸?

In the previous chapter the attempt was to picture the current institutional dynamics of the EU to develop an understanding about the shape of the emerging European polity. The institutional restructuring brought about by Maastricht Treaty was a most important step in ‘deepening’ the European integration movement, the increase in the nature of the policies handled at the supranational level and the strengthened scope of the institutions were its symptoms. Yet, another important aspect of the Maastricht Treaty was that its underlying aim overtly consisted of a progressive move toward the achievement of a European Economic, Monetary and Political Union. As set in the opening page of the TEU (1993),

RESOLVED to mark a new stage in the process of European integration undertaken with the establishment of the European Communities, DESIRING to deepen the solidarity between their people while respecting their history, their culture and their traditions, RESOLVED to enhance further the democratic and efficient functioning of the institutions so as to enable them better to carry out, within a single institutional framework, the tasks entrusted to them, RESOLVED to achieve the strengthening and the convergence of their economies and to establish an economic and monetary union including, in accordance with the provisions of this Treaty, a single stable currency,...RESOLVED to establish a citizenship common to the nationals of their country, RESOLVED to implement a common foreign and security policy including the eventual framing of a common

⁶⁸ The title is quoted from Chrysochoou, Dimitris N. 1998. Democracy in the European Union, pp.158.

defense policy, which might lead to a common defense, thereby reinforcing the European identity and its independence to promote peace, security and progress in Europe and in the world, REAFFIRMING their objective to facilitate the free movement of persons while ensuring the safety and security of their peoples, by including provisions on justice and home affairs in this Treaty, RESOLVED to continue the process of creating an ever closer union among the peoples of Europe in which the decisions are taken as closely as possible to the citizen in accordance with the principle of subsidiarity, IN VIEW of further step to be taken to advance European integration... (Corbett, 1993: 382-492)

This meant a move from integration in ‘low politics’ to integration in ‘high politics’. In this chapter the focus of the study will basically be on the principles set in the Treaty for the achievement of the economic, monetary and political unification. And, certainly because the idea of political unification, which implies the convergence of the political domains of the member states has serious implications with respect to the modern nation-states that are part and parcel of the European unification movement. The recent debates with regard to the prospects of the EU to become a ‘Federal European State’ are the major consequences of the transformations that the modern state experiences.⁶⁹ Additionally, conceptualizations such as “Constitutional Europe”, “post-Westphalian state”, or the “international state” are all addressing in one way or another to the EU and the future of the European state (Weiler, 1997; Linklater, 1996; Wendt, 1994).

In such a context, where the destiny of the modern nation-state in Europe is widely discussed, one of the main concerns is about the ‘sovereignty’, and the shifting powers between local (regional, sub-national), national and supranational

⁶⁹The idea of ‘Federal Europe’ is intensively discussed in Chrysochoou, Dimitris N. 1998. Democracy in the European Union, pp. 134-158.

centers. On the one hand, the effects of the supranational forces integrating the European economic, social, political systems are visible by the completion of a *Europe sans frontieres*.⁷⁰ The prospects for EMU, the undertakings relating to the assertion of a common European defense and security identity, cooperation in police and judicial affairs are all revealing the nature and scope of the supranational forces of the EU. On the other hand, even though not as evident as the supranational forces, integration has also its side effect, the increase in the political strength of the localities (or sub-national actors) that bring about fragmentation. The process of fragmentation is not as obvious as the process of integration, and the thesis recognizes the difficulty of depicting it. Yet, integration and fragmentation are in some respects complementary to each other and not necessarily opposed (Rosenau, 1999). The principle of 'subsidiarity', for example, and with it the emergence of a 'multi-level' governance understanding, though widely debated on its impact on the EU, it can be used "as an instrument to challenge the national center" (Van Kersbergen and Verbeek, 1994: 227). Though the reverse may also be possible depending on the institutional choices of the peoples. Then, the regional socioeconomic dynamics and the political interactions of these local (sub-national) actors with the supranational center can also be a source of challenge to the exclusiveness of the state as the arena to perform 'domestic' politics (Jeffrey, 2000; Marks, 1997). Fragmentation can also be the result of ethnic (or "ethnoterritorial") nationalism, caused by factors ranging from economic disparities to the lack of institutional frames to resolve various center-

⁷⁰ 'Sans frontieres' implies 'without border', the term is used to refer to the elimination of internal barriers and to the four freedoms of movements within EU.

periphery cleavages (Zariski, 1989).⁷¹ Yet, this is further a very multi-causal issue that is quite impossible to explore in all its dimensions within the scope of this thesis. For the recent purpose it suffices to say that the states in Europe are both effected by the supranational forces and the various fragmentary forces of integration. However, the resulting process of transformation and restructuration is a function of their own peculiar internal structures. In other words, as it will be explored in the subsequent sections, the member states are all effected by these processes of European integration, yet the transformations that are observed in these states are different and related to the internal dynamics of these states. The overall consequence is a double pressure on the modern nation-state arising from the very nature and scope of the European integration movement. And, the most immediate effect being the supranational forces of the European integration.

4.1. Citizenship of the European Union: from National Democracy to Supranational Democracy?

As it was already explored in the previous chapters, by the completion of the Single European Market, the sovereignty and the independent policy making capacities of the member state were largely undermined. A related discussion was the public concern about the ‘loss of sovereignty’. This was combined with two interrelated issues. First, as Held (1999: 48) mentions,

...the theory of democracy took for granted, particularly as it developed in the nineteenth and twentieth centuries, the link between the demos, citizenship, electoral mechanisms, the nature of consent, and the boundaries of the nation-state. The fates of different political communities may be contested and intertwined but the appropriate place for determining

⁷¹ For an extensive study relating to theories of ‘fragmentation’ see also Guney, Aylin. 1998. *Regionalism as a Failure of National Integration: A Case Study of Italy*. Unpublished Ph.D Dissertation

the foundation of the 'national fate' was the territorially based political community itself...democratic theory assumes a congruence between the citizen-voters and national decision-makers.

In this respect, second, the amount of sovereignty transferred from the member states to the supranational institutional framework of the EC implied to rethink about the national borders of democracy. In this context, relatively significant efforts have been made to increase democracy in the institutions and specifically to render the European Parliament and the Commission as closer as possible to the citizens of the Union in their legislative capacities (SEA, 1987; Maastricht, 1993, Agenda 2000, 1997; Feira Summit meeting of the European Council, 2000).

Another factor stimulating the conceptualization of the 'citizenship of the Union', the 'four freedoms' or the 'free movements'. According to Gormley (1998: 585), "the freedom principle may be a pure and simple application of the principle of non-discrimination on the grounds of nationality of origin of destination", the Article 6 of the EC assumes "the prohibition of discrimination on the ground of nationality...in situations covered by the Community Law ". Finally, in the Treaty on European Union (1993), which established the basic grounds upon which the citizenship of the Union be built, recommends,

(Article 8) Every person holding the nationality of a Member State shall be a citizen of the Union...Citizens of the Union shall enjoy the rights conferred by this Treaty and shall be subject to the duties imposed thereby...(8a) Every citizens shall have to move and reside freely within the territory of the Member States...(8b) Every citizen of the Union residing in a Member of which he is not a national shall have the right to vote to stand as candidate at municipal elections in the Member State in which he resides, under the same conditions as national of that State...these arrangements may provide for derogations where warranted by problems specific to a Member State...every citizens of the Union residing in a Member State of which he is not a national shall have the right to vote and to stand as a candidate in elections to the European Parliament in the Member State in which he resides, under the same conditions as the

nationals of that State...(Article 138e) The European Parliament shall appoint an Ombudsman empowered to receive complaints from any citizen of the Union or any natural or legal person residing in or having registered its office in a Member State concerning instances of maladministration in the activities of the Community institutions or bodies, with the exception of the Court of Justice or Court of First Instance acting in their judicial role... (Corbett, 1994: 389)

As it was demonstrated in the second chapter, the process of European integration covers a wide range of issues directly affecting the daily life of the citizens from the economic, social to the political and cultural aspects. Accordingly, within the institutional framework of the EU, the citizens of the Union are simultaneously entitled with equal 'rights and obligations' with respect to the 'Community'. As the case for the right to political participation into the peculiar legislative processes of the EU, these to be the complements of the civil (fundamental) rights, and the social rights of the as set forth and developed through the 'Social Charter'(1989).⁷² As for the last set of rights they range from the "free movement for citizens", employment conditions, "adequate social protection" and "social benefits", "equal treatment of males and females" to "the freedom of association and collective bargaining" and other issues, which fall under the domain of the social policy (Weiner, 1998: 177). However, it should be specified that despite the enforcement of the provisions in the post-Maastricht era the adoption of common policies relating to these areas are largely debated within the Community (Newman, 1996; Barnard, 1999). Yet, still to provide an illustrative example, in a recent case the ECJ concluded for a German woman to be allowed in the German army. This had two major implications. On the one hand, Germany as well as the UK had to reconsider their "basic military policy" with respect to the employment

⁷² See also the 'Green Paper' and the 'White Paper'.

of its military staff. On the other hand, this increased the awareness of the EU citizenship rights and supranational identity for those who brought this and similar cases to the ECJ. The women now entitled to bear arms in the German army declared “I used to think of myself as German. Now I feel European too”.⁷³ This case alone certainly does not demonstrate that the EU nationals are identifying themselves with the European supranational identity, yet it does reveal that this identity is on its way of construction and that even if at varying level, a gate is open for the future prospects of the EU citizenship. In addition to all these rights conferred to the citizens, the notion of a ‘European passport’, to be provided to EU nationals, is also important in its implications. It is symbolic of a European identity out of the EU frontiers, and a basis for outside-EU identification. Consequently, it also relates to the common foreign and security framework of the EU. Additionally, another issue is the cooperation in police and judicial affairs, because the elimination of the internal frontiers requires the adoption of certain common policies relating to the protection and enforcement of the rights and obligations of the EU citizens, this will be addressed in the following section. Finally, as it was explored in the third chapter, the political groups in the EP are generally transnational in nature and according to TEU they are intended to provide a platform for the international socialization of the representatives of the EU citizens.

In the post-Maastricht era, to use the description of Meehan (1993), these were the “language of the European Communities”. In respect to the practical side of these

provisions, which are again part of the 'stage by stage' or 'spillover' understandings of the European integration movement, a space is open for the emergence of an alternative notion of citizenship. This citizenship is neither cosmopolitan for it is reserved to the "members only" nor it is 'national' for it constitutes a social space where "an increasingly complex configuration of common Community institutions, states, national and transnational voluntary associations, regions and alliances of regions" communicate their interests, and identities, their demands and expectations (Meehan, 1993).⁷⁴ This is an important challenge to the modern nation-state traditionally accepted as the only rightful domain of the 'political'.⁷⁵ In other words, the post-Ancien Regime the origins of which dates back to the French Revolution is in a process of reformulation. It is useful to remind here an implication of the French Revolution, "the principles of political legitimacy which shapes the state identities are linked to domestic social structures, and help determine the resources states mobilize in international competition" (Bukanovsky, 1999: 197). If referred to Anderson's "nation as an imagined community", it is insightful to develop an understanding of "how the nation became a political-identity as people began to imagine a horizontal relationship to their countrymen beginning in the eighteenth century..." (Cerwona, 1999: 335). However, the point in this overall discussion is not to argue that the notion of national citizenship is gone, but to emphasize an alternative notion of

⁷³ See Roger Cohen. 14 January 2000, "A European Identity: Nation-State Loosing Ground", *New York Times* [News Analysis].

⁷⁴ See also Lipschutz, Ronnie D. 1999. "Members Only ? Citizenship and civic virtue in a time of globalization", *International Politics*.

⁷⁵ The 'political' is referred to as follows; "Within the historical epoch known as the 'modernity', the political came to be defined as a distinct realm located exclusively in the institution of the state and concerned primarily with the maintenance of the social order..." See Martin, James. 1999. "The Social and The Political". In James Martin and et. al, *Contemporary Social and Political Theory*, pp. 156

citizenship, be it complementary to or challenging with respect to the principle of 'allegiance' to the nation-state. Indeed, it opens a gate for the nationals of the EU to reconsider "the understanding of the self and its identity" and the locus of their loyalty (Weiler, 1998: 2; Wendt, 1994: 386).

To conclude this section, through the channels of participation to the political and social life opened up to the citizens of the Union, an alternative 'political' space is on the way of construction. Obviously, the implication of the 'EU citizenship' undermines seriously the basic principles of the modern nation-state as described in this thesis. However, the process is not uniform, multi-layered networks of interactions between the various component parts of the EU are shaping the common destiny of the 'European People'.

For the recent purpose, shifting the focus to the participation procedures introduced by the TEU, reveals a double pressure on the modern nation-state. First, the overall concept of EU citizenship including right to direct participation into the EP elections, complemented by the right to form Union wide civil society organizations –such as the freedom of collective bargaining and association or the existence of the Economic and Social Committee. These constitute the supranational forces of integration, and this time pushing toward a political unification. Second, the right of the EU citizens to participate in equal conditions the municipal (local) elections or in immediate day-to-day politics in any member state in which they reside implies that the "image of the of non-national union citizens as 'foreigners' was to vanish and the opportunity for democratic

participation would be created” (Weiner, 1998: 284). The only platform of participation closed to the EU citizens is then to directly participate in the national level elections of the member states to the nationality of which they do not belong. However, the nation-state is in between the bottom-up pressure from the local (or sub-national) level politics and the top-down pressure from the supranational level politics. Although the institutionalization of these networks are not as obvious as the consequences of the completion of the Single European market, the traditional relations between the citizens and their nation-state are in reformulation.⁷⁶ As mentioned by Wiener, 1998 (299),

It is a multi-level polity couched in competing systems of governance. Citizenship practice related to this polity/community generated a fragmented type of citizenship. Union citizens direct demands towards the member states and to the union as well; they may belong to a local community (in terms of their social, cultural, economic and political activities) and at the same time to a national community of another member state (legal/national ties and political activity):

4.2. Stretching Back to the Local

The interactions among the multiple networks and actors shaping the European integration were so far expressed within the overall framework of this study. The capacity of a wide range of actors to participate to the EU in its legislative capacity, in its ‘constitutional’ element of the integration, give some local or sub-national forces some spaces of action outside the domain of the ‘national’. Yet, the point here is not to argue that there is fragmentation through the channels linking the various actors to the supranational. On the contrary, they are aimed at

⁷⁶ See also McClure, Kristie. 1992. “On the Subject of Rights: Pluralism, Plurality and Political Identity”. See also Van Kersbergen, Kees and Bertan Verbeek. 1994. “The Politics of Subsidiarity in the European Union. They provide significant insights in understanding the smooth transformations of the ‘political’.

reinforcing the process of unification. However, they are insightful because, though 'indirectly', they also reveal another source of challenge to the nation-state, the fragmentary forces. Indeed, it is to underline a more general fact that "state executives no longer monopolize the representation of domestic interests in international relations" (Marks, 1997: 90). On these grounds, the present discussion, though narrowly, aims at exploring the networks that relate the local (or sub-national) actors to the process of European integration, and an attempt to more directly focus on the increased political strength of the localities which bring about fragmentation.

As it is the case for the globalization process, in the process of European integration, and perhaps in a unique fashion, the different localities of the EU became increasingly interdependent from one another (Newmann, 1996: 110-). The socioeconomic, political and cultural activities and decisions performed at one locale came to impact the same types of activities and decisions in another locale (Held, 1998). As Guney (1998: 28) observes, "The emergence of a supra-national administration, more distant from immediate experience than any previous public authority has put an understandable premium on sub-national administration, as a compensating mechanism". Both for purposes of generating equal levels of development and providing for democratic accountability, the Community adopted a 'Europe of the Regions' vision, considering the requisite for the participation of the regional and local representative into the decision-making processes. The Commission and the European Parliament were the

supporters of this vision because of its federal tenets and for the sake of democratic legitimacy (Dinan, 1994: 315).

As already touched upon in the previous chapter, the EC had acquired budgetary competence relating to the control and effective use (redistribution) of the Communities' resources. In this respect, the Commission and the EP powers are increasing. Yet, the member states are not at all too enthusiastic in conferring so much budgetary powers to the EC or in increasing their contributions to the funds, a double-edged pressure from both the local and the supranational is affording too much for the nation-state. Among the developmental resources of the EC, for instance the (European Regional) Structural Funds have a significant place, for its financial (resource) contributions to the different regions of the Union. Additionally, the European Investment Bank is also a resource for giving credits to the Union-wide credible projects brought under its consideration. These and similar funds are of great importance to support the regions in their economic developments. Consequently, the sub-national (regional) actors focus on the means for "attraction" of these resources into their localities (Nugent, 1999: 285). Thus, they constitute an object of competition between the interests of various localities. In 1988 reformation of the Structural Funds, with the introduction of a 'partnership program', the sub-national level actors came to play an increasingly important role in the management of European Regional and Structural Funds, this was also an extension of the 'Assembly of the Regions' which was a transnational platform to bring together sub-national interests (Dinan, 1994: 315; Nugent, 1999: 286) By the introduction of the TEU it was reasserted that the

Union was giving importance to democratic accountability and to overcome the regional disparities and the probable 'negative effects' brought about by the process of integration.⁷⁷ Thereafter, the Committee of the Regions (COR) was established as a formal consultative institution of the EC pillar of the EU. As set in the Treaty on European Union, it was composed of the "representatives of regional and local bodies". The activities of the COR extends from regional and economic development and finance to agriculture, fisheries, tourism, transport, social policy, education, culture, telecommunication, environment, and many other areas.

In this context, then the sub-national governments are in direct interactions with the supranational actors, and on a platform of negotiations for the process of legislation and the process of redistribution of resources that fall within the capacities of the supranational institutions. Additionally, the choice of participation to the supranational politics imply a tendency to act autonomously with regard to the national governments, which is certainly curtailing the authority of the central government over the local ones. As already mentioned at the opening of this chapter, different member states are being impacted at varying degrees and depending on their (pre-)existing internal structures and dynamics. As illustrations, within the EU, "Belgium has been transformed from a unitary into a federal polity", in Italy and in Spain there is remarkable increase in regional based

⁷⁷ Regional here implies localities within the territorial borders of the nation-state. However, it is also widely used to refer to the specific regions of the EU, such as the Mediterranean Region or the Northern Regions. Note also that local and sub-national are used interchangeably. This is because they are all in practice interrelated to one another. For an observation of the flexibility of the term region within the EU; see, Newman, Michael. 1996. *Democracy, Sovereignty and the European Union*, page 127-129.

politics, and even in France which traditionally is known as a highly centralized state there are trends in the opposite direction (Marks, 1997: 88,90; Newman 1996: 136). Kurzer (1993) in her case study on Belgium and Ladrech (1994) in his case study on France identify the impact that the process of integration have on the member states as “Europeanization” leading on one set of networks to unification and on another set of networks into fragmentation. In the case of Belgium, Kurzer argues that the uneven pace of integration has sharpened the “disparities between the language communities and gave rise to a new generation of political leaders who took advantage of the European integration to promote decentralization of state function and to restrict government executive autonomy”. Moreover, she also refers to the clashes of interests among the Wallon, Flemish and Brussels regional councils and among the French, Dutch and German linguistic communities. Another example is the Italian case where the European integration process has sharpened the political divisions between the North and the South regions (Newman, 1996; Güney, 1998). Additionally, there is also another dimension through which the political strength of the localities increases, as mentioned in Ladrech (1994: 84), “beginning in 1986, the Rhone-Alpes region entered in accords on scientific, technical and cultural cooperation with Baden Wurttemberg, Catalonia, and Lombardy”.⁷⁸ He emphasis the consequences as in some way meaning “less tutelage from Paris”. Yet, another consequence that these inter-regional or transnational regional cooperation can bring about is uneven pace of development among the EU regions. In general terms the intensification of the

⁷⁸ See also Newman, Michael. 1996. *Democracy, Sovereignty and the European Union.*, pp. 133-134 for both the ‘inter-regional’ cooperation and disparities.

political tensions can paved the way to more extreme cases of horizontal identification of oneself with the local or regional communities. This is yet a problem and challenge which not only the state but also the EU have to accommodate (Newman, 1996: 136). Indeed, in its origins, the efforts devoted to the visions of 'Europe of the Regions' are bring about to overcome the 'negative effects' or failures of integration. The prospects of future regional integration in Europe are open to further and elaborate discussion; however, for the current study, in relation to the case studies reviews and discussions in this section, it can be suggested that even if at varying degrees and in varying forms, the nation-states are all challenged by the increasing political forces of the localities that brings about fragmentation. Then, through the forces of 'Europeanization', the territorial sovereignty and the independent policy-making capacities of the states are undermined directly through the sub-national actors, indirectly through the supranational institutions which from time to time reflects on the state certain claims or decisions of these localities. Yet, again this is not to argue that the states have entirely lost control over their territories, this is only to put the emphasis on the transformations which the Westphalian state exhibits.⁷⁹

4.3 Stretching Forth to the Supranational

4.3.1 European Economic and Monetary Unification (EMU)

The European Economic and Monetary Unification is the latest stage of the European economic integration processes. The processes of economic integration

⁷⁹ For an alternative yet complementary analysis of 'Euroepan Regional Development Policy', see Ansel, K.Christopher, Craig A. Parsons and Keith A.Darden. "Dual Networks in Regional Development Policy", *Journal of Common Market Studies*, pp. 347-375, they provide a "structuralist logic of sociological network theory".

and their spillover effects into the other domains of policy were discussed in detail in the second chapter, in this section the focus will be on EMU and its political consequence that is the convergence of the national economies of the member states. In other words, the transfer of sovereignty in all the aspects relating to the national economies of the member states to the single institutional framework of the EU, specifically to the first pillar (EC). The purpose will be to explore the extent to which the convergence of the national economies of the member states was realized.

The TEU (1993) set the objectives to be achieved, for the realization of EMU not later than January 1999. First, the establishment of an independent European Central Bank (ECB)⁸⁰ to govern and to regulate the macroeconomic policies of the EU; the maintenance of the price stability, the regulation of the foreign exchange operations, the management of the foreign reserves of the member states, to regulate the operation of the payment policies (foreign debts). Second, the introduction into the financial markets of the EURO as the 'single currency' of the common market, this implied the 'irrevocable fixing of the exchange rates' of the member states. Therefore, the general underlying purpose is the convergence of the macroeconomic policies of the member states.

The achievement of the EMU is essential for the proper functioning of the Single European Market. This is a requirement for the complete elimination of the

⁸⁰ The ECB was intended to operate 'within the framework of a European System of Central Banks', the 'main objective of the ECB is to maintain price stability, and to support the general aims and policies of the EC'. See Nugent Neil. 1999. *The Government and Politics of the European Union*", page 73 for the underlying objectives of EMU.

barriers to trade within the Single Market. In other words, analogous to the domestic markets, it is intended to provide “greater stability of the common market economy” and to “exclude exchange-rate risks in investment and trade, and help to prevent macroeconomic disturbances of the balance within the entire territory of the common market” (Gormley, 1998: 125). In consideration of the economic disparities between the members, as early as the 1978 the European Monetary System was established in order to achieve these goals. Additionally, ECU was established as a means of transaction, and the weight of the economy of the member states would be reflected in it. In this respect, the member states should have to harmonize their macroeconomic policies on a ‘stage by stage basis’. This was a first instance where the member states’ autonomous policy formulation capacities was significantly undermined. The member states were supposed to approximate their inflation rates, exchange rates, budget deficits and many other components of their national economic policies. In addition, by the TEU the common policies were more demanding on the member states in terms of cutting considerable amounts of their public expenditures for the reduction of their budget deficit, and the unemployment rates were still relatively high and reduction in social security measures would be a source of pressure for the governments (Risse, 1999:148) In this respect, already bound by common trade policies, the member states were also restricted in their extractive and redistributive capacities, since the overall national economic system is highly dependent on these activities of the state. Additionally, it is mainly by its extractive (i.e. tax collection) and redistributive (i.e. social welfare systems) policies that the state is supposed to meet the demands and the expectations of its citizens, and the social support of its

citizens is highly dependent on these capacities of the state, as well as its legitimacy (Migdal, 1987; Nordlinger, 1987). Consequently, by the introduction of EMU the policy-making capacities of the member states would be undermined, and considerable loss of sovereignty in domestic economy would be the result. However, in January 1999, as prescribed by the TEU, with the exception of Denmark, Greece⁸¹, Sweden and the UK accomplished the European Monetary and Economic Union. EMU falls under the supranational pillar of the EU, and the decisions are binding over all the members. Although, some issues such as the approximation of taxation policies, harmonization of social policy are still on their processes of accomplishment, the EMU is realized. Indeed, for instance in the Helsinki Summit, it was decided that a project should be developed for the taxation of the EU citizens, meanwhile paralleled with the reinforcement of the common social policies.

Therefore, the implications of EMU for the sovereignty and strength of the modern nation-state are very fundamental. First, in almost all the general economic issues it is the supranational center that decide. Consequently, the sovereignty of the states over their economic activities is to a considerable extent undermined. Second, the autonomy and capacities of the state for policy formulating or making in the national economy is undermined. Indeed, in almost all the economic issues, it is bound to conform to the supranational directions and regulations. Finally, the question of 'collective identity' again comes to the forth. The Euro is intended to replace the national currencies of the member states,

⁸¹ In June 2000 Greece joined the EMU.

which also in this term enters into the domain of 'identity-interest' politics (Risse, 1999). The national currency is a symbol of the national economic sovereignty. In this respect, both symbolic and material values are attached to the national currency. Consequently, EMU is, as Oatley (2000: 163) mentions, "the deepest instance of institutionalized international cooperation ...those governments that have joined monetary union have surrendered to the policy advantages attached to independent national currencies". In other words, they have "lost autonomy over national monetary and exchange rate policies", which are the main means for achieving national economic objectives (Oatly, 2000). However, on the one hand, the process is sensitively handled by the governments in order for the process to be credible. The governments are measuring both the public response and the level of trust among the member states. Yet, on the other hand, the EMU and the Euro are symbolic of a united European economic system in its external relations (Calleo, 1999).

4.3.2 Justice and Home Affairs (JHA)

The TEU introduced this third intergovernmental pillar of the EU basically because of the consequences of the elimination of custom controls between the member states, and with respect to the free movements of persons. This was basically to strengthen "the bases for the establishment of an area in which there could be free movement of persons 'behind' common entry rules", and the development of a framework for police and judicial cooperation in criminal matters" (Nugent, 1999: 83). This was also intended to support and safeguard the fundamental principles upon which the Union rested; liberty, democracy, respect for human rights and

fundamental freedom, and the rule of law. The member states were expected to conform to these fundamental principles, and in cases of infringements, their membership rights would be suspended (Nugent, 1999: 83-84). In the TEU (1993), with respect to the common interests of the member states; approximation of asylum policies, visas regulations, immigration policies and policies concerning the non-member states nationals, cooperation in police and judicial matters and cooperation in customs were outlined as the basic areas of competence of JHA. In the post-Maastricht period, the adoption of common policies relating to the 'free movement of persons', such as visas, immigration and asylum, were brought under the EC pillar of the EU, this was intended to accelerate the "free movement of persons behind a common external border" (Nugent, 1999). Additionally, it was decided that '*Schengen*'⁸², which is an agreement intended to eliminate internal custom controls and to adopt common external measures for the entrance of the citizens from third countries, be incorporated into the EU. With respect to this second pillar of the EU, the main activities to be held under the intergovernmental framework is the 'police and judicial cooperation' (Nugent, 1999). However, with respect to the developments in the overall framework of this second pillar it can be observed that the approximation of the policies of the member states are relatively slow. The immigration and asylum policy positions of the member states vary greatly from the Northern European countries to the Southern ones, and their security concerns varies greatly. Yet, still, the Schengen agreement is significant for the accession of citizens of a third country are subjected to single external border control, as if they

⁸² All the member states of the EU, with the exception of UK and Ireland, are also Schengen members

were accessing one single state. Although the negotiations between the member states are complicated with respect to the approximation and adoption of common policies falling under this third pillar, the study of which exceeds the scope of this thesis, the JHA domain is another significant instance for the reformulation of the traditional geographical borders of the modern nation-state.

4.3.3 Common Foreign and Security Policy (CFSP) and the European Security and Defense Identity (ESDI)

The Maastricht Treaty was an aggregation of all the activities, which the member states performed throughout the process of European integration, under the umbrella of the European Union (Best, 1994). A major pillar introduced was the CFSP to be undertaken under the European Council.⁸³ In retrospect, the progress relating to the issues of political integration were hardly negotiated between the member states. Certainly because they were undermining directly the ‘territorial sovereignty’ of the state. In other words, the locus of power safeguarding the national identity, interests and security and the gatekeepers of the distinction between the ‘self’ and the ‘other’.⁸⁴ Indeed, as a reminder to the first chapter, it was “at the intersection of the ‘international’ and the ‘national’ conditions and processes” that the territorial sovereignty of the state had “crystallized” (Held, 1999). And, the “boundaries and identities of the modern national states” are in

⁸³ In retrospect, in the second chapter the developments relating to the establishment of a closer political cooperation were briefly touched upon, these were EPC, EDC, and provisions contained in various Reports submitted to the member states and the EC institutions. Additionally, the scope and nature of the European Council was underlined in chapter 3.

⁸⁴ In retrospect, the competition between the national interests conducted through power politics in Europe was explored in chapter 2 and in chapter 1. The Westphalian settlement was to set the territorial borders to stop war in Europe, the European integration movement was launched to stop the war brought about by the ‘sovereign nation-states’ co-existing in the European system.

most part constructed by their within and beyond territorial interactions (Evans, Rueschmeyer, Skcopol, 1987: 169-). Consequently, the capabilities of the nation-state to reassert their internal and external social, economic, cultural and political relations and standpoints is also an attribute of their foreign, security, and defense policy considerations. In terms of common foreign and security policies the national interests of the member states of the Community\Union showed considerable difference up until the post-Maastricht era. As illustrations, the UK's traditional attachment to "Atlanticism", the French strong commitment for the preservation of its role in shaping global politics, the tendency of other members such as Denmark or Austria wishing to preserve their relatively neutral positions (Carlsness and Smith, 1995). Not to mention the different security concerns among the member states locating in the Mediterranean Region, the Nordic Region, those having geographical boundaries with the Central and Eastern Europe and the Balkans. It can not be argued that actually the member states are fully reconciled in terms of their foreign policy and security concerns, but the recent developments in this second pillar of the EU demonstrate a relatively remarkable convergence of foreign, security and defense identities of the member states.

As it was demonstrated within the overall framework of this thesis, everything which falls under the European integration movement are simultaneously interrelated. The adoption of common foreign policies are an extension of the completion of the Single European Market and the adoption of common foreign trade policies as well as the notion of EU citizens or the EMU and other issues

having implications for the formation of a common foreign policies. Yet, the TEU was projecting a step further by additionally introducing the notions of 'common security' and 'common defense'. In historical perspective, the North Atlantic Treaty Organization (NATO), the Western European Union (WEU), and the Organization for Security and Cooperation in Europe (OSCE) were the major platforms where the European cooperation on security and defense were held. They are all international organization and the members are both members and non-members to the EC/EU. Additionally, within the scope of the European integration movement, the intergovernmental conferences were also providing platforms of negotiation between the member states to open new avenues for the adoption of a stronger and more independent foreign security and defense architecture. Davignon Report (1970) was such an attempt to foresee and set the foundations of a European CFSP structure (Salmon and Nicoll, 1997: 107-110). By the 1970s, the Foreign Ministers of the member states had discussed in the report the problems relating to 'political unification' and had brought to the forth the need to realize a Europe that "can speak with one voice" in its out-of-Community relations. Thereafter, the process of European political unification was revitalized. Moreover, beginning from this period the global visions of the United States and Western Europe were becoming divergent from one another, and the Europeans were negotiating strategies to acquire further independent action capabilities. By the early 1990s, the collapse of the Soviet Union brought about a fundamental change in the global system. The reunification of Germany, the motivation to bring the Central and Eastern European States within the integration framework, the turbulence in the Balkans and other systemic

challenges brought about by the globalization processes urged Europe to adopt a single European position in its external relations. The EU had to increase its bargaining powers in global politics and be able to control its destiny in an ever globalizing world, by continuing to take its part in shaping the global politics.⁸⁵ Additionally, the new (global) security challenges were more or less clear, “world wide diffusion of military technologies” and the corresponding increase in weapons of mass destruction; “economic crisis”; environmental pollution; “ethno-nationalism”; “refugee-crises”; “militant and politicized religious movements”; “terrorism” and many other potential sources of territorial conflicts. While the potential challenges were the same, and the identity fighting against these forces was aiming at ‘promoting peace, security and democracy in the world’, the strategies used to combat them varied within and without Western Europe.⁸⁶ In this light, the post-Maastricht era was intended to promote a stronger convergence of the national political interests and identities in the conduct of the external relations of the EU. As set in the TEU (1993), the institutionalization of the CFSP under a first pillar had the overt goal of “framing a common defense policy” that was expected to lead to the emergence of a ‘common defense’ to result in reinforcing the “European identity and its independence to promote peace, security and progress in Europe and in the world”. Therefore, the CFSP was intended to reinforce the ‘European identity’ and to form a platform of collective identity and action among the member state. In other words, a common position in

⁸⁵ See Guehenno, Jean-Marie 1999, “*Americanisation du monde ou mondialisation de l’Amerique*” [Americanization of the globe or the globalization of America], the article in insightful with respect to the underlying motivations of the European Economic and Political Unification

⁸⁶ See, The New Transatlantic Agenda (US/EU), Public Affairs Office, United States Mission to the European Union (1995) for a detailed information on the fields of transatlantic cooperation.

perceiving, in attaching meanings and in interacting with respect to the global politics and systemic changes. And, the implications of the adoption of 'common policies' for the 'national sovereignty' were discussed in relation to the supranational pillar of the EU, the European Communities. The key word of the CFSP pillar was "joint action", which is an overt objective of 'common policy' (Dinnage and Murphy, 1996: 43).

In the post-Maastricht era, the intergovernmental pillar speeded up its activities relating to CFSP. The respective aims were to strengthen the European pillar of the NATO, and integrate the WEU as the defense common pillar under the EU. In June 1992, the Petersberg Declaration has been overtly reasserted these goals. The Treaty set the objective as "The Union requests the WEU which is an integral part of the development of the Union, to elaborate and implement decisions and actions which have defense implications" (Eliassen, 1998: 6). In 1996, Berlin Summit of NATO, the 'European Defense and Security Identity' was created as the European pillar of NATO. This was aimed at the adoption of a common defense position within the NATO, to strengthen the European initiative. This was followed by the Amsterdam Treaty (1997), considerable competence was given to the CFSP pillar of the Union. First, qualified majority principle was brought as the "norm for adopting and implementing joint actions and common positions, thus making these policy instruments essentially supranational", but "for important and stated reasons of national policy" a member state might not given its vote (Nugent, 1999: 85). However, the introduction of qmv opened up a relatively important space for the decisions of the CFSP acquire a supranational nature.

Moreover, though highly debated, the financing of the second pillar, with the exception of military or defense expenditures, were brought under supranational control. Additionally, the process of incorporation of the WEU under the EU was furthered. The 'Petersberg tasks' of the WEU involved in 'humanitarian and rescue tasks and task of combat management, including peace keeping' were brought under the EU by the TEU, Article 17 (Gordon, 1997: 89). Consequently, common security tasks were undertaken by the EU. Another competence introduced by the Amsterdam Treaty was the authority of the CFSP to enter into agreements with third countries in the issues falling under its competence. This meant again the possibility for the CFSP to act as the representative of the member states in external relations. Finally, the selection of a High Representative for the CFSP to participate into the Council was decided upon. In the years to follow, the Franco-German and UK cooperation to further the CFSP capabilities of the EU were considerable (Ham, 1999; Vershbow, 1999). In 1998 St Malo Summit, the French and British axis negotiate to give further competence to the CFSP in order for the EU to have more control over common defense and security matters. The St Malo Joint Declaration on European Defense (1998) has set the objective as

The EU needs to be in a position to play its full role on the international stage. This means making reality of the Treaty of Amsterdam, which will provide the essential basis for action by the Union...To this end, the Union must have the capacity for autonomous action, backed up by credible forces, the means to decide to use them and a readiness to do so, in order to respond to international crises. In pursuing our objective, the collective defense commitments to which the member states subscribe must be maintained. In strengthening the solidarity between member states of the European Union, in order that Europe can make its voice heard in world affairs, while acting in conformity with our respective

obligations in NATO... European will operate within the institutional framework of the European Union...European solidarity must take into account the various positions of European states...

To follow St Malo, in 1999 in the Cologne Summit of the European Council (1999), the decision was made to merge the EU and the WEU. This was very important because the common defense capabilities of the EU would decisively be brought under the competence of EU. Additionally, Secretary General of the WEU, Javier Solana, became the first High Representative for the CFSP responsible for all the activities to be held under this EU pillar. Although decision would be made on intergovernmental basis, the common defense policies of these states would be closely tied to each other in their decision making capabilities. This was one of the reasons for why some EU members opted out or were reserved concerning the CFSP, Denmark is one of such states who opted out already in 1993 at Maastricht negotiations. Additionally, not all the member states belong to WEU Ireland, Austria, Finland, Sweden opted to become Observer States (Leonard, 1998: 241). Indeed, the member states were hardly negotiating on issues undermining their national sovereignty on the high political domains. However, the commitment to create common defense capabilities were not void since a CFSP without a common defense policy would not at all be credible with respect to the conduct of the EU' s external relations (Mathiopoulos and Gyamati, 1999: 73). In the Presidency Conclusions of the Helsinki Summit of the European Union held in 10-11 December 1999 it was stated that,

The European Council underlines its determination to develop an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises...cooperating voluntarily in EU-led operations, the member states must be able by 2003, to deploy within 60 days and sustain for at least 1 year military forces of up to 50,000-60,000 persons capable of

the full range of Petersberg tasks; new political and military bodies and structures will be established within the Council to enable the Union to ensure the necessary political guidance and strategic direction to such operations, while respecting the single institutional structure...

The conclusions reached at Helsinki were of great significance for the project of the creation of a common European army. This army is not yet formed but a cooperation network between the EU, WEU and NATO is activated so as to provide the EU with the defense capabilities of both of the institutions. The decision was based on the assumption that the “construction and deepening of the EU integration” was necessary for the adoption of common positions relating to foreign, security and defense, and specifically in cases of crises escalation (Varshbow, 1999). This was also an extension of the US/EU argument concerning the European military forces in NATO as ‘separable but not separate forces’. A coherent NATO and within or without it a coherent Europe were latent objectives. More precisely, Europe aimed at creating common defense capabilities under the control of EU, and the ESDI pillar which would be under NATO was yet another avenue opened for joint action in the voting procedures of the Organization as well as in the operation to be held in cases of crises requiring to perform defense capabilities. As the recent declaration of the UK prime minister Blair “We Europeans, should not expect the United States to play role in every disorder in our backyard” and added that the military capabilities of NATO “need to be more available to European led-operations” (Mathiopoulos and Gyarmati). Finally, in the recent Feira Summit of the European Council held on 19 and 20 June 2000, the commitment of the EU in ‘building the Common European Security and Defense Policy capable of reinforcing the Union’s external action through the

development of a military crisis capability as well as a civilian one' was asserted. The Nice Summit to be held on December 2000 is expected to be decisive in the establishment of permanent political and military structures within the EU for the further advance of the Common European Security and Defense Identity.

The Westphalian settlement in 1648 and the subsequent era of Absolutism to result in the French Revolution and the chain of events combined together to shape the modern nation-state were all explored. In historical perspective, one of the *symbols* of the 'national sovereignty' and 'territorial unity' of the nation-state is the 'national army'. And, at this final destination of the study, which attempted to picture the basic transformations that the Westphalian state had experienced, it can be concluded that the process of European Economic and Political Unification is quite resolved in 'the art of *creating* the possible': It is certain that the strengthening of the second and the third pillars of the EU will further undermine the sovereignty of the nation-states and their capabilities of autonomous action. Although the intergovernmental initiative is much more stronger than the supranational one in CFSP pillar of the EU. It was already demonstrated so far in this thesis that the intergovernmental decisions have led to strengthening the weight of the supranational in the decision making procedures of the EU. It is certain that the emergence of the European Union as a single institutional structure and the extent to which it is supranational in nature and scope points out to a very significant *transformation* in the Westphalian order which has been experienced before. In the context of the international relations (system) it is also a relatively singular platform for 'collective identity formation' among the states.

CONCLUSION

The main focus of this study has been the integration process that is taking place in Western Europe for about half century that can be considered as an integral part of the evolution of the modern nation-state in Western Europe. As this thesis has suggested, the process is pushing for a reformulation of the modern nation-state by undermining its sovereignty and by putting into question its strength. There are two rather controversial but integrated dimensions to this process. On the one hand, the supranational forces of the EU are pushing for more unification of national economics and politics. On the other hand, this tendency is counter balanced by a move towards fragmentation, particularly originating from the localities within the Western European states. These pressures are the results of the increasing political strength and the fragmentary forces of the localities. Taking together, these two counter tendencies are the consequences of both the globalization processes that is taken place at the systemic level, and more specifically the outcome of the smooth process of integration in Europe itself. As a result, the nation-state is under the double pressure of these two processes that are pushing for its reformulation.

As it was explored in this study, at the edge of the 21st century, there are considerable transformations, in terms of both perceptions and realities, on the nature and scope of the modern nation-states in Western Europe. Consequently, the thesis has proposed that the modern nation-state in Western Europe, as

symbolized and defined basically by the premises of the Westphalian model and the French Revolution, is in a process of reformulation. The focus has been on the concept of the modern nation-state of whose premise, i.e. its sovereignty is challenged. The thesis has chosen to concentrate on three major variables which are thought to be responsible for the reformulation of the modern nation-state in Western Europe. These three major challenges are; (1) the process of globalization, (2) the supranational forces as posed by the European Union and its policies, and the increased political strength of localities which brings about fragmentation, (3) these are not the only variables responsible for the reformulation of the state, but the study has aimed to focus only upon these variables for analytical purpose. Following this logical sequence, the thesis has attempted to demonstrate that these three challenges undermine the very foundation of the European state; the principle of sovereignty.⁸⁷ On the other hand, the thesis has proposed that these challenges mentioned above impact another basic pillar of the modern state; namely its strength as measured through, the interplay of two factors; its autonomy and its capacities. The strength of the state is traditionally defined through these two factors.⁸⁸

As it was introduced in the first chapter, the sovereignty principle implies that the nation-state, within its territorial boundaries, has the relative independence of action in its internal and external affairs. Additionally, sovereignty also involves

⁸⁷ The principle of sovereignty is basically defined in the first chapter of the thesis through underlining the 'Westphalian model' which emerged in the 1648 to evolve throughout the eighteen, nineteenth and twentieth centuries.

⁸⁸ The strength of the state was defined in the first chapter by referring to the works of Migdal (1987), Nordlinger (1987) and Scocpol, Rueschmeyer and Evans (1987).

the notion of 'juridical equality' in terms of freedom of action of each state existing in the international system. Then, for a state to have its claim to sovereignty and political equality to be legitimized, it has to be recognized as such by the international community. Second, the strength of the state first implies the extent to which it is relatively independent from internal and external actors to formulate its own preferences into policies, which is conceptualized as its autonomy. Another determinant is the extent to which the state can solve the internal and external problems it encounters, meet the moral and material expectations of its population and obtain their consent and support, which is conceptualized as its capacity. The first chapter has also outlined the contemporary challenges, i.e. the forces of the globalization process, the supranational forces of the European Union, and the increased political strength and the fragmentary forces of the localities by the encounter of which to the modern nation-state in Western Europe is undergoing a reformulation and restructuring process. The exploration of the forces of the globalization process has been integrated into the overall study, since the process of regional integration in Western Europe is interrelated with this wider process of globalization. However the main focus has been on the exploration of the supranational impact and the impact of the local forces within the EU, which have been explored in the second, third and fourth chapters of the thesis. To put it somewhat differently, the thesis has been an attempt to explore the extent to which these two forces, forces of integration and fragmentation, constitute a challenge to the member states of the EC\EU.

In this light, the following chapters have carried the task of exploring the emergence and evolution of the EC\EU in its relations with the member states. In the first chapter, the period from the emergence of the visions of a united Europe to the ratification of the Treaty on the European Union has been covered. The underlying dynamics of the processes of integration, with a specific emphasis to the interplay of 'negative integration' and 'positive integration', and the subsequent completion of the Single European Market, were studied in their respective impacts on the member states. The processes whereby the member states have been sharing their territorial jurisdiction with the EC have been demonstrated. Additionally, empirical case studies have been used to provide a picture as to show how the sovereignty and the strength of the states have been undermined. It has been concluded that the cumulative processes of European integration, which revolves around the interactions between the intergovernmental and supranational axis, has led to a serious reformulation on the conception of the modern national state. To follow the second chapter, in the third chapter, the institutional structure of the EC\EU has been studied. The aim has been to demonstrate that the EC\EU is a new form of territorial governance the lubricant of which are the intergovernmental and the supranational institutional procedures. The institutionalized scope of the European integration process and its irrevocable nature has been pictured so as to deepen the understanding of the mechanisms whereby the EC\EU is reshaping the Westphalian order, and in that it is an emerging post-Westphalian actor.

Finally, in the last chapter, the focus was on the post- Maastricht (Treaty on European Union) period. This part consisted of an evaluation of the extent to

which the process of European integration has been deepening. The prospects of the project of the European Economic, Monetary and Political Unification has been elaborated. It has been concluded that the processes whereby the European integration stretches back to the local and forth to the supranational are posing double-pressure on the modern nation-state. At the heart of the unification projects lies the convergence of the political spheres of the nation-states and this certainly stimulates to a significant extent the transformation of the modern conception of the nation- state.

Accordingly, the thesis focused upon the extent to which the conceptions of the sovereignty and the strength – as it is measured by the autonomy and capacity variables-, as the main pillars of the modern nation state, are transformed by the integrative and fragmentary forces of the EC\EU within the general framework of the processes of globalization. However, a remaining vital remark to be made is that the study has taken as granted the inherent differences which exists in the internal structures of the Western European states, and assumed that even if at varying degrees the responses will be all the member states are impacted by the European integration processes.

SELECT BIBLIOGRAPHY

- Adler, Emanuel. 1997. "Seizing the Middle Ground: Constructivism in World Politics", *European Journal of International Relations* 3(3): 319-363.
- Andersen, S. Svein, Kjell A Eliassen (eds.).1996. *The European Union How Democratic Is It*. London: Sage Publication.
- Ansel, K. Christopher, Craig A. Parsons, Keith A. Darden. 1997. "Dual Networks in Regional Development Policy", *Journal of Common Market Studies* 35(3): 345-375.
- Arat, Doç. Dr. Tuğrul. 1996. "Avrupa Toplulukları Hukuku" (The Law of the European Communities). In T.C.M.B. *Avrupa Birliği El Kitabı (European Union Handbook)*. Ankara.
- Arsava, Prof. Dr. Füsün. 1996. "Avrupa Birliği'nin Kurumsal Yapısı ve Karar Alma Süreci" (The Institutional Structure and the Decision-Making Process of the European Union. In T.C.M.B. *Avrupa Birliği El Kitabı (European Union Handbook)*. Ankara.
- Axtmann, Roland, (ed.) 1998. *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter.
- 1997. "Collective Identity and the Democratic Nation-State in the Age of Globalization". In Ann Cvetkovich and Douglas Kellner, eds., *Articulating the Global and the Local: Globalization and Cultural Studies*. Colorado, Oxford: Westview Press, 33-54.
- 1998. "Globalization, Europe and the State: Introductory Reflections". In Roland Axtmann (ed.), *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter, 5-22.
- Balassa, Bela. 1994. "The Theory of Economic Integration: An Introduction". In Brent F. Nelsen and Alexander C-G Stubb, *The European Union*. Boulder, London: Lynne Rienner Publishers, 125-141.
- Barkin, Samuel J., and Bruce Cronin. 1994 "The State and the Nation: Changing Norms and the Rules of Sovereignty in International Relations", *International Organization* 48(1): 107-130.
- Barnard, Catherine. 1999. "EC 'Social Policy'". In Paul Craig and Grainne De Burca (eds.) 1999. *The Evolution of the EU Law*. Oxford: Oxford University Press, 479-516.

- Best, Eduard. 1994. "The Treaty on European Union: What Does It Actually Say and Do?". In Finn Laursen and Sophie Vanhoonacker, eds., *Ratification of the Maastricht Treaty: Issues, Debates and Future Implications*. Dordrecht, Boston, London: Martinus Nijhoff Publishers, 17-44.
- Bonvicini, Gianni. 1989. "The Genscher-Colombo Plan and The 'Solemn Declaration On European Union' (1981-1983). In Roy Pryce, ed., *The Dynamics of the European Union*. London, New-York: Routledge, 174-187.
- Bukovansky, Mlada. 1999. "The altered state and the state of nature –the French Revolution and international politics", *Review of International Studies* 25(2): 197-216.
- Burke, Peter. 1994. "City-State". In John A. Hall, ed., 1994. *The State: Critical Concepts*. (Vol. I). London, New York: Routledge.
- Buzan, Barry, Richard Little. 1999. "Beyond Westphalia? Capitalism after the 'Fall'", *Review of International Studies* 25 (Special Issue): 89-104.
- Calleo, P. David. 1999. "The Strategic Implications of the Euro", *Survival* 41(1): 5-19.
- Carlsnaes, Walter, Steve Smith. (eds.) 1994. *European Foreign Policy: The EC and Changing Perspective in Europe*. Sage Publication: London, Thousand Oaks, New Delhi.
- Cerwonka, Allaine. 1999. "Constructed Geographies: Redefining national identity and geography in a shifting international landscape", *International Politics* 36(3): 335-355.
- Chrysochoou, N. Dimitris. (1998). *Democracy in the European Union*. London, New York: Tauris Academic Studies.
- Cohen, Reymond. 1994. "Pacific Unions: A Reappraisal of the Theory That 'Democracies Do Not Go To War With Each Other'", *Review of International Studies* 20(3): 207-223.
- Cohen, Roger. January 14, 2000. "A European Identity: Nation-State Losing Ground", *New York Times*.
- Corbett, Richard. 1993. *The Treaty of Maastricht: From Conception to Ratification. A Comprehensive Reference Guide*. London: Longman Current Affairs.

- 1989. "The 1985 Intergovernmental Conference and the Single European Act". In Roy Pryce, ed., *The Dynamics of the European Union*. London, New-York: Routledge, 238-272.
- Craig, Paul, Grainne De Burca (eds.) 1999. *The Evolution of the EU Law*. Oxford: Oxford University Press.
- Cvetkovich, Ann, Douglas Kellner. 1997. "Introduction: Thinking Global and Local". In Ann Cvetkovich and Douglas Kellner, eds., *Articulating the Global and the Local: Globalization and Cultural Studies*. Colorado, Oxford: Westview Press, 1-30.
- Delors, Jacques. (1989). "A Necessary Union". In Brent F. Nelsen and Alexander C-G Stubb, eds, 1994. *The European Union*. Boulder, London: Lynne Rienner Publishers.
- De Schoutete, Philippe. 1990. "The European Community and its sub-systems". In William Wallace, ed., *The Dynamics of European Union*. London: RIIA, 106-124.
- De Witte, Bruno. 1999. "Direct Effect, Supremacy, and the Nature of the Legal Order". In Paul Craig and Grainne De Bourga, eds., *The Evolution of the EU Law*, Oxford: Oxford University Press, 177-213.
- Den Boer, Monica and Neil Walker. 1993. "European Policing After 1992", *Journal of Common Market Studies* 31(1): 3-25.
- Devuyst. Youri. 1999. "The Community Method After Amsterdam", *Journal of Common Market Studies* 37(1): 109-120.
- Dinan, Desmond. 1994. *Ever Closer Union?*. Boulder, Colorado: Lynne Rienner Publishers.
- Dinnage, James D., John Murphy. 1996. *The Constitutional Law of the European Union*. Cincinnati: Anderson Publishing Co.
- Dower, Nigel. 1998. "Human Rights, Global Ethics and Globaliozation". In Roland Axtmann (ed.), *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter, 109-125.
- Elliasen, Kjell. (ed) 1998. *Foreign and Security Policy in the European Union*. London, Thousand Oaks, New Delhi: Sage Publications.
- European Commission. 1997. *Agenda 2000: For A Stronger And Wider Union*. Bulletin of the European Union, Supplement 5/1997.
- 2000. *Bulletin of the European Union*. European Communities. 12.1998\12.1999.

- European Union. December 11-12, 1999. *Presidency Conclusions, Helsinki European Council*.
- June 19-20, 2000. *Presidency Conclusions, Santa Maria Da Feira European Council*.
- Evans, Peter, Dietrich Rueschemeyer, and Theda Skocpol (eds). 1985. *Bringing the State Back In*. Cambridge, New York, London, New Rochelle, Melbourne, Sydney: Cambridge University Press.
- Everling, Ulrich. 1992. "Reflections on the Structure of the European Union". In Neil Nugent, ed., 1997, *The European Union* (Vol. 1). Aldershot, Brookfield USA, Singapore, Sydney, 3-27.
- Falkner, Gerda. 2000. "How Pervasive are Euro-Politics? Effects of EU Membership on a New Member State, *Journal of Common Market Studies* 38(2): 223-250.
- Galloway, David. "Keynote Article: Agenda 2000 –Packing the Deal", *Journal of Common Market Studies* 37(Annual Review): 9-35.
- Garcia, Soledad. (ed.) 1993. *European Identity and the Search for Legitimacy*. London, New York: Pinter Publishers.
- Goetz, Klaus H. 1995. "National Governance and European Integration: Intergovernmental Relations in Germany", *Journal of Common Market Studies* 33(1): 91-115.
- Goldmann, Kjell. 1997. "Nationalism and Internationalism in Post-Cold War Europe", *European Journal of International Relations* 3(3): 259-290.
- Gormley, Laurence (ed.), (W., P.J.G., Kapteyn, and P. VerLoren Themaat and et. al. (eds.)). 1998. *Introduction to the Law of the European Communities*. London, The Hague, Boston: Kluwer Law International.
- Gordon, Philip H. 1997. "Europe's Uncommon Foreign Policy". *International Security* 22(3): 74-100.
- Graham, Robert. June 18, 2000. "Chirac Endorses Idea of a Constitution for European Union". *Financial Times*.
- Guehenno, Jean-Marie. 1999. "Americanisation du monde ou mondialisation de l'Amerique?" (Americanization of the globe or globalization of America?), *Politique Etrangere* 1(1): 7-20.
- Güney, Aylin. 1998. "Regionalism as a Failure of National Integration: A Case study of Italy". Unpublished Ph.D Dissertation. Ankara: Bilkent University, Ankara.

- Hall, John A. (ed.) 1994. *The State: Critical Concepts*. (Vol. I,II,II). London, New York: Routledge.
- Held, David, Anthony McGrew, David Goldblatt and Jonathan Perraton. 1999. *Global Transformations: Politics, Economics and Culture*. Cambridge, Oxford: Polity Press.
- 1998. "Democracy and Globalization". In Daniele Archibugi, David Held and Martin Kohler, eds., *Re-Imagining Political Community*. Cambridge: Polity Press, 11-27.
- 1989. *Models of Democracy*. Oxford: Polity Press.
- 1991. *Political Theory Today*. Cambridge: Polity Press.
- Hill, Christopher. "The Capability Expectation Gap, or Conceptualizing Europe's International Role". *Journal of Common Market Studies*, 31(3): 305-327.
- Hoffman, Stanley. 2000. "Towards a Common European Foreign and Security Policy", *Journal of Common Market Studies* 38(2): 189-198.
- Hook, Steven and Richard Robyn. 1999. "Regional Collective Security in Europe: Past and Future Prospects", *European Security* 8(2): 82-100.
- Hubert, Jean. 1998. "Decolonization and Globalization". In Roland Axtmann (ed.), *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter, 43-58.
- James, H. 1998. *EC Law*. London: Sweet&Maxwell.
- Jeffrey, Charlie. 2000. "Sub-National Mobilization and European Integration: Does It Make Any Difference?", *Journal of Common Market Studies*, 38(1): 1-23.
- Jessop, Bob. 1990. *State Theory: Putting the Capitalist State in its Place*. Cambridge: Polity Press.
- Johnsen, T. William, Stephen J. Blank and Thomas-Durell Young. "Building a Better Security Environment", *European Security* 8(3), 1-24.
- Karluk, Prof. Dr. Rıdvan. 1998. *Avrupa Birliği ve Türkiye* (The European Union and Turkey). Beta Basım A.Ş.: İstanbul.
- Kartovichwill, Friedrich. 2000. "Constructing a New Ortodoxy? Wendt's 'Social Theory of Politics' and the Constructivist Challenge", *Millenium: Journal of International Studies* 29(1): 73-101.
- Kazancıgil, Ali. (ed.) 1986. *The State in Global Perspective*. Paris, Hants, Vermont: Gower/Unesco.

- Keatinge, Murphy. 1989. "The European Council's Ad Hoc Committee on Institutional Affairs". In Roy Pryce, ed., *The Dynamics of the European Union*. London, New-York: Routledge, 217-238.
- Kellner, Douglas. 1998. "Globalization and the Postmodern Term". In Roland Axtmann (ed.), *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter, 23-43.
- Kennan, F. George. 1969. *Memoirs*. Bantam Books: Toronto, New York, London.
- Keyman, E. Fuat. 1997. *Globalization, State, Identity/Difference: Toward A Critical Social Theory of International Relations*. New Jersey: Humanities Press.
- Koslowski, Rey. "Intra-EU Migrations, Citizenship and Political Union", *Journal of Common Market Studies* 32(3): 367-401.
- Kostakopoulou, Theodora. "European Union Citizenship As a Model Beyond the Nation-State".
- Kurzer, Paulette. 1997. "Decline or Preservation of Executive Capacity? Political and Economic Integration Revisited", *Journal of Common Market Studies* 35(1): 31-56.
- Küsters, Hanns-Jürgen. 1989. "The Treaties of Rome". In Roy Pryce, ed., *The Dynamics of the European Union*. London, New-York: Routledge, 78-104.
- La Torre, Massimo (ed.). 1998. *European Citizenship: An Institutional Challenge*. The Hague, London, Boston: Kluwer International.
- Ladrech, Robert. 1994. "Europeanization of Domestic Politics and Institutions: The Case of France", *Journal of Common Market Studies* 32(1): 69-88.
- Leonard, Dick. 1998. *Guide to the European Union*. London: Bath Press
- Linklater, Andrew. 1996. "Citizenship and Sovereignty in the Post-Westphalian State", *European Journal of International Relations* 2(1): 77-103.
- Lipschutz, Ronnie D. 1999. "Members Only? Citizenship and civic virtue in a time of globalization", *International Politics* 36(2): 203-233.
- Lipset, Seymour Martin, and Stein Rokkan. 1990. "Cleavages Structures, Party Systems and Voter Alignments". In Peter Mair, ed., *The Western European Party System*. Oxford: Oxford University Press, 253-265.
- Major, Tony and Haig Simonian. May 18, 2000. "Fischer spells out EU federalist vision". *Financial Times*.

- Marks, Gary. 1996. "The Third Lens: European Integration and State Building Compared". In Neil Nugent, ed., 1997, *The European Union* (Vol. 1). Aldershot, Brookfield USA, Singapore, Sydney, 79-97.
- Mathiopoulos, Margarita, Istvan Gyarmati. 1999. "Saint-Malo and Beyond: Toward European Defense". *The Washington Quarterly*. 22(4): 65-79.
- McClure, Kristie. 1992. "On the Subject of Rigths: Pluralism, Plurality and Political Identity". In Chantal Mouffe, ed., *Dimensions of Radical Democracy*. London: Verso.
- McLennan, Gregor, David Held, and Stuart Hall. (eds.) 1984. *The Idea of the Modern State*. Milton Keynes, Philadelphia: Open University Press.
- Meehan, Elizabeth. 1993. *Citizenship and the European Community*. London, Newbury Park, New Delhi: Sage Publications.
- Migdal, Joel. 1987. "Strong States, Weak States: Power and Accommodation". In Myron Weiner and Samuel Huntington, eds., *Understanding Political Development*. London: Little, Brown and Co., 391-434.
- Mitrany, David. 1966. *A Working Peace System*. Chicago: Quadrangle Books.
- Monar, Jörg. 1997. "The Finances of the Union's Intergovernmental Pillars: Tortuous Experiments with the Community Budget", *Journal of Common Market Studies*. 35(1): 57-78.
- Monnet, Jean. 1978. *Memoirs*. Garden City. NJ: Doubleday.
- Morris, Christopher. 1998. *An Essay On The Modern State*. Cambridge University Press: Cambridge, New York, Melbourne.
- Murphy, Craig N. 1998. "Globalization and Governance: A Historical Perspective". In Roland Axtmann (ed.), *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter, 144-163.
- Nelsen, F. Brent, Alexander Stubb. (eds.) 1994. *The European Union: Readings on the Theory and Practice of European Integration*. Lynne Rienner Publishers: Boulder, London.
- Nenwtwich, Michael, and Albert Weale. (eds.) 1998. *Political Theory and the European Union. Legitimacy, Constitutional Choice and Citizenship*. London, New York: Routledge.
- Neumann, Iver B. 1996. "Self and Other in International Relations" *European Journal of International Studies* 2 (2): 139-174.

- Newman, Michael. 1996. *Democracy, Sovereignty and the European Union*. St.Martin's Press: New York.
- Nordlinger, Eric A.. 1987. "Taking the State Seriously". In Myron Weiner and Samuel Huntington eds., *Understanding Political Development*. London: Little, Brown and Co., 353-389.
- Nugent, Neil. (ed.) 1997. *The European Union* (Vol. 1,2). Aldershot, Brookfield USA, Singapore, Sidney: Dartmouth.
- , 1999. *The Government and Politics of the European Union*. Hampshire, London: The Macmillan Press Ltd.
- Oatley, Thomas. 2000. "Choosing Which Union? Deep Cooperation and EMU's Conditional Delay", *International Politics* 37: 162-184.
- Palmer, R.R., and Joel Colton. *A History of the Modern World* (Fourth Edition). New York: Alfred A. Knopf.
- Philippart, Eric and Geoffrey Edwards. 1999. "The Provisions on Closer Co-operation in the Treaty of Amsterdam: The Politics of Flexibility in the European Union", *Journal of Common Market Studies* 37(1): 87-108.
- Pierson, Christopher. 1996. *The Modern State*. London: Routledge.
- Pieterse, Jan Nederveen. 1994. "Globalization as Hybridization", *International Sociology* 9(2): 161.
- Poggi, Gianfranco. 1990. *The State: Its Nature, Development, and Prospects*. Cambridge: Polity Press.
- , 1978. *The Development of the Modern State*. Stanford: Stanford University Press.
- Pryce, Roy (ed.) 1989. *The Dynamics of the European Union*. London, New York: Routledge.
- Resnick, Philip. 1998. "Global Democracy: Ideals and Reality". In Roland Axtman, (ed), *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter, 126-143.
- Rex, John. 1998. "Transitional Migrant Communities and the Modern Nation-State". In Roland Axtmann, ed., *Globalization and Europe: Theoretical and Empirical Investigations*. London, Washington: Pinter, 126-143.
- Risse, Thomas, Daniela Engelmann-Martin, et. al. 1999. "The Euro or Not Euro? The EMU and Identity Politics in the European Union", *European Journal of International Relations* 5(2): 147-187.

- Van Kersbergen, Kees, Bertjan Verbeek. 1994. "The Politics of Subsidiarity in the European Union", *Journal of Common Market Studies* 32(2): 213-236.
- Vandamme, Jacques. 1989. "The Tindemans Report (1975-76)". In Roy Pryce, ed., *The Dynamics of the European Union*. London, New-York: Routledge, 149-173.
- Vershbow, Alexander R. 1999. "European Security and Defense Identity: Berlin, St. Malo, and Beyond", *Joint Force Quarterly* 21: 52-55. ACADEMIC RESEARCH PREMIERE database, Item 2711944.
- Vinocur, John. May 18, 2000. "Fischer Tries to Give Depressed EU a Lift: But Visions of a Federalized Europe Leaves Small Nations Skeptical", *Herald Tribune*, 1,5.
- Volcansek, L. Mary. 1997. "Supranational Courts in a Political Context". In Mary L. Volcansek (ed.), *Law Above Nations: Supranational Courts and the Legalization of Politics*. Gainesville, Orlando: University Press of Florida.
- Wallace, Helen, Alasdair R. Young. 1997. "The Kaleidoscope of European Policy-Making: Shifting Patterns of Participation and Influence". In Helen Wallace and Alasdair R. Young, eds., *Participation and Policy-Making in the EU*, Oxford: Clarendon Press.
- Wallace, William. 1999. "Europe after the Cold War: interstate order or post-sovereign regional system?", *Review of International Studies*, 25: 201-223.
- (1994). "Rescue or Retreat? The Nation-State in Western Europe". In Neil Nugent, ed., 1997, *The European Union* (Vol. 1). Aldershot, Brookfield USA, Singapore, Sydney, 143-170.
- Watson, Adam. 1992. *The Evolution of International Society: A Comparative Historical Analysis*. New York, London: Routledge.
- Watson, Adam. 1997. *The Limits of Independence: Relations between States in the Modern World*. New York, London: Routledge.
- Weidenfeld, Werner. 1999. "The Euro and the New Face of the European Union", *The Washington Quarterly* 22(1): 67-80.
- Weiler, J.H.H. 1998. *The Constitution of Europe: "Do the new clothes have an emperor?" and other essays on the European Integration*. Cambridge: Cambridge University Press.
- 1997. "The Reformation of European Constitutionalism", *Journal of Common Market Studies* 35(1): 97-130.

- Weiler, Joseph. 1998. "European Citizenship-Identity and Differentity". In Massimo La Torre, ed., *European Citizenship: An Institutional Challenge*. The Hague, London, Boston: Kluwer Law International.
- Weldes, Jutta. 1996. "Constructing National Interests", *European Journal of International Relations* 2(3): 275-318.
- Wendt, Alexander. 1992. "Anarchy is What the States Make of It: The Social Construction of Power Politics", *International Organization* 46(2): 391-425.
- , 1994. "Collective Identity Formation and the International State", *American Political Science Review* 88(2): 384-386.
- Western European Union: History: Structures, Prospects. Western European Union, Press & Information Service, September 1994.
- Westlake, Martin. 1997. "Keynote Article: 'Mad Cows and Englishmen' –The Institutional Consequences of the BSE Crises", *Journal of Common Market Studies* 35(Annual Review): 11-49.
- Wiener, Antje. 1998. *European Citizen Practice*. Oxford: Westview Press.
- , 1998. "Promises and Resources –The Developing Practice of 'European' Citizenship. In Massimo La Torre, ed., *European Citizenship: An Institutional Challenge*. The Hague, London, Boston: Kluwer Law International.
- and Della Sala. 1997. "Constitution-making and Citizenship Practice – Bridging the Democracy Gap in the EU", *Journal of Common Market Studies* 35(4): 593-613.
- Weiner, Myron, and Samuel Huntington. (eds.) 1987. *Understanding Political Development*. London: Little, Brown and Co.
- Worre, Torben. "First No, Then Yes: The Danish Referendums on the Maastricht Treaty 1992-1993", *Journal of Common Market Studies* 33(2): 235-257.
- Zariski, Raphael. 1989. "Ethnic Extremism among Ethnoterritorial Minorities in Western Europe", *Comparative Politics* 21(2): 253-272.
- Zurn, Michael. 2000. "Democratic Governance Beyond the Nation-State: The EU and Other International Institutions", *European Journal of International Relations* 6(2): 183-221.