

CHAPTER 4

Member States

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Summary

This chapter focuses on the European Union's (EU's) most essential component: its member states. It examines six factors that determine how a state engages with the EU: date of entry, size, wealth, state structure, economic ideology, and integration preference. We then explore how member states behave in the Union's institutions and seek to influence the outcome of negotiations in Brussels. We focus throughout on the informal as well as formal activities of the member states. The EU is a union based on law, which may be challenged from time to time by a member state. This dimension is explored by analysing the difficulties created for the EU by authoritarian populist governments. The final section explores the insights offered by theory in analysing the relationship between the EU and its member states.

## Introduction

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

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

### BOX 4.1 Key concepts and terms

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

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

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

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

**Tours de table** allow each national delegation in a **Council of Ministers** meeting to make an intervention on a given subject. In an EU of 28 member states *tours de table* have become less common. If every minister or national official intervened for even five minutes on each subject, it would take nearly two-and-a-half hours.

## Six Determining Features

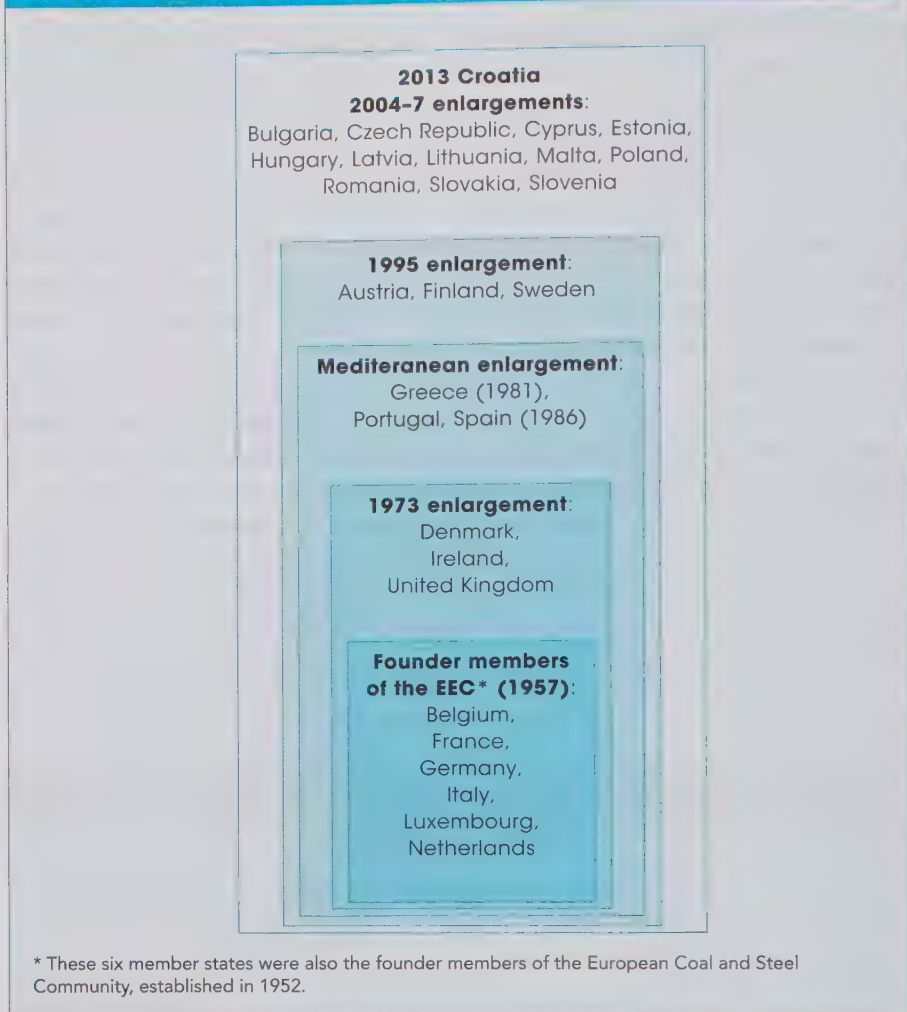
The 28 (this number will fall for the first time when the UK leaves the EU, as currently scheduled, in March 2019) member states bring to the Union their distinctive national histories, state traditions, constitutions, legal principles, political systems, and economic capacity. A variety of languages (there are 24 official working languages in the EU) and an extraordinary diversity of national and subnational tastes and cultures accentuate the mosaic-like character of Europe. The enlargement of the Union (13 new states have joined since 2004) has deepened its pre-existing diversity. Managing difference is thus a key challenge for the Union. To understand how the EU really works, we must understand the multi-national and multi-cultural character of the EU and its institutions.

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

### Entry date

It is useful to deploy the metaphor of an onion to characterize the expansion of the Union from its original six states to nine, ten, 12, 15, and finally to 28 or more states in the years ahead (see Figure 4.1). France, Germany, and the four other founding members form the core of the onion. What is now the EU was originally the creation of six states that were occupied or defeated in World War II. It is the creation especially of France, a country that needed to achieve a settlement with its neighbour and historical enemy, Germany. From the outset a key relationship in the EU was between France and West Germany. As explained in Chapter 2, the Franco-German alliance and the Paris–Bonn axis—now Paris–Berlin—has left enduring traces on the fabric of integration. The [Elysée Treaty](#) (1963) institutionalized very strong bilateral ties between these two countries. The intensity of interaction should not be taken as evidence of continuous agreement between France and Germany on major European issues. Rather, much of the interaction has worked to iron out conflicts between them.

Close personal relationships between West German Chancellor Helmut Schmidt and French President Valéry Giscard d'Estaing in the 1970s, and Chancellor Helmut Kohl and President François Mitterrand in the 1980s and early 1990s, were key to the most ambitious steps forward in [European integration](#), including the creation of the European Monetary System (a precursor to EMU), the [single market](#) programme, and the euro. The Franco-German relationship was challenged by geopolitical change in Europe following the collapse of communism. German unification and the opening up of the eastern half of the continent altered

**FIGURE 4.1** 'Onion' Chart of EU Enlargements

the bilateral balance of power, with Germany no longer a junior political partner to France. The change was symbolically captured by the relocation of the German capital to Berlin.

During the Eurozone crisis, the dynamic of the Franco-German relationship was further tested as Germany became the pre-eminent state in the search for policy solutions. The crisis led some scholars to speak of German hegemony in the Union (Beck 2013; Bulmer and Paterson 2013). However, it is premature to talk of the demise of the Franco-German partnership (see Schoeller 2018). The victory of Emmanuel Macron in the 2017 French presidential elections and the re-election of Chancellor Angela Merkel in September 2017 represented



a window of opportunity for a rebooting of the Franco-German relationship. President Macron campaigned on a strong European platform and immediately after the 2017 German election made a strong plea for a renewed partnership between Germany and France to launch a reform process within the Union. Macron was bold both in terms of rhetoric and prescription. Just how much of his ambition would be achieved depended on the response of especially Germany but also other EU member states. Yet, there was widespread consensus in Europe that the decision by the UK to leave the Union (see Chapter 10) placed a responsibility on the two large continental states to sustain and protect the Union.

The four other founder member states—Italy, Belgium, Luxembourg, and the Netherlands—see themselves as part of the hard core of the Union. All have played a significant role in the evolution of the EU. The Benelux countries (Belgium, Luxembourg, and the Netherlands) were traditionally at the centre of developments, often ready to push for deeper integration. They were all deeply committed to the **Community method** of law-making (institution-led rather than **intergovernmental**) and supportive of a strong, supranational Union. This dynamic, however, has changed in recent times. Since 2005 and the Dutch rejection of the Constitutional Treaty, Benelux cooperation has been at best lukewarm, at worst non-existent. For example, the 2007 EU summit that agreed the text of what would become the **Lisbon Treaty** featured a blazing row between the Belgian and Dutch prime ministers, with one attendee commenting: ‘we thought they might come to blows’ (*Financial Times*, 25 June 2007) over the issue of scrutiny rights for national parliaments.

Italy has oscillated between active involvement in EU diplomacy and a passive presence in the system. It has traditionally been enthusiastic about European institution building, but not consistently so (see Bindi with Cisci 2005). More generally, Italy’s relationship with the EU and other member states is hampered not by a lack of enthusiasm but by endemic instability in its governing coalitions and its weak capacity for internal reform. The election in 2018 of a populist coalition government led by the 5-Star Movement and the League has added a euroscepticism to Italian input into EU politics that was absent in the past.

All states joining the EU after its initial formative period had to accept the Union’s existing laws and obligations (or *acquis communautaire*; see Box 4.1), its institutional system, and way of doing business, all of which had been formed without their input. Thus for all latecomers, adjustment and adaptation to the EU was a process that began before their date of **accession** and continued well after membership. With the expansion of the Union’s tasks, the burden of adjustment has grown for each successive wave of accession. As Chapter 5 demonstrates, the EU has taken on new policy areas over the years ranging from environmental policy to police cooperation (the *acquis communautaire* has grown to cover over 80,000 pages of legislation). This expansion has made it even more difficult for outsiders to catch up and adapt to membership (see Chapter 8).

## Size

As in all political systems, size matters in the EU. The distinction between large and small states is often evoked in political and media discussions about representation in the EU. During the cumbersome negotiations on the Treaty of Nice, which focused on the reweighting of votes in the Council and the number of commissioners each state could appoint, tensions between large and small states escalated. Nice settled little, and battles between large and small states marked negotiations surrounding the 2004 Constitutional Treaty and its eventual replacement (the Lisbon Treaty).

In any event, a more nuanced approach to understanding the impact of size is warranted. The EU really consists of four clusters of states—large, medium, small, and very small (see Table 4.1). The first cluster contains six large states: Germany, the UK, France, Italy, Spain, and Poland. Together they make up about 70 per cent of the population of EU-28 (although even here we find dissent: Germany and France, are certainly seen as the ‘big two’, with Italy seen as less powerful, and some would dispute Spain’s and Poland’s categorization as large states). The forthcoming departure of the UK will reduce the Union’s population by 65 million and the outcome of its 2016 referendum has already reduced the UK’s influence and standing within the system. The next cluster consists of medium-sized states: Romania, the Netherlands, Greece, Belgium, Portugal, the Czech Republic, Hungary, Sweden, Austria, and Bulgaria whose populations range from seven to

**TABLE 4.1 Clusters of member states by size**

Current member states (figure in brackets = approximate population in millions in 2017)			
Large	Medium	Small	Very small
Germany (81.2)	Romania (19.8)	Denmark (5.6)	Cyprus (0.8)
France (66.4)	Netherlands (16.9)	Finland (5.5)	Luxembourg (0.5)
UK (64.8)	Greece (10.8)	Slovakia (5.4)	Malta (0.4)
Italy (60.8)	Belgium (11.2)	Ireland (4.6)	
Spain (46.4)	Portugal (10.4)	Croatia (4.2)	
Poland (38.0)	Czech Rep (10.5)	Lithuania (2.9)	
	Hungary (10.0)	Latvia (2.0)	
	Sweden (9.7)	Slovenia (2.0)	
	Austria (8.6)	Estonia (1.3)	
	Bulgaria (7.2)		

Source: Eurostat, at <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=tps00001>

20 million. The third cluster is one of small states: Croatia, Denmark, Finland, Slovakia, Ireland, Lithuania, Latvia, Slovenia, and Estonia, which all have populations of between one and six million. The fourth category, very small states, consists of Cyprus, Luxembourg, and Malta. Recent enlargements overwhelmingly have brought an increase of medium, small, and very small states (Poland being the exception).

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

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

However, small states do have a common interest in maintaining the EU's institutional balance and they can deploy a variety of strategies to cope with the structural disadvantage they face (Panke 2010). For instance small EU states can band together to oppose proposals that privilege a small group of larger states. They are keen supporters of procedural 'rules of the game' which protect their level of representation in the system. The key point here is that the multi-lateral, institutionalized, and legal processes of the Union have created a relatively benign environment for small states.

In the past, the EU successfully managed to expand its membership to include both large and small states without undermining the balance between them or causing undue tension. This balance began to shift in the 1990s. The 1995 enlargement and the prospect of further enlargement to the east and south heightened the salience of the small state / large state divide in the Union. The struggle for power—as reflected in number of commissioners, votes in the Council, or seats in the [European Parliament](#) (EP) each member state receives—figured on the EU agenda for well over a decade, from 1995 to 2009.

## Wealth

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

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

With eastern enlargement in 2004 and 2007, and the accession of Croatia in 2013, the poverty gap between the member states grew considerably wider. Today GDP per capita in all new member states and **candidate countries** remains under the EU-28 average (see Table 4.2). Cyprus and Slovenia rank as the richest of the new members, while Romania and Bulgaria—the 2007 entrants—are the poorest. Most candidate countries are even poorer (see Chapter 8).

The promotion of economic and social cohesion will continue to resonate in the politics of integration well into the future. During the 2014–20 financial framework period, **cohesion policy** accounts for around a third of the total EU budget (see Chapter 5). After eastern enlargement, many of the former recipients of cohesion funds (including Spain and Ireland) were no longer eligible for many EU funds, which were now funnelled towards the newer and poorer member states.

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



**TABLE 4.2** Member states' gross domestic product in 2017**GDP per capita in purchasing power standards (PPS)**

European Union average	100		
Luxembourg	267	Malta	95
Austria	126	Slovenia	83
Ireland*	177	Czech Republic	88
Netherlands	128	Portugal	77
Sweden	124	Slovakia	77
Denmark	125	Greece	67
Germany	123	Lithuania	75
Belgium	118	Estonia	74
Finland	109	Hungary	67
France	105	Poland	69
UK	108	Latvia	65
Italy	96	Croatia	59
Cyprus	81	Romania	59
Spain	92	Bulgaria	48

Notes: \*Per capita PPS is not a good indicator for Ireland as the volume of foreign direct investment in the economy inflates it. Gross national income (GNI) is more reflective of actual wealth.

Source: Eurostat, at <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00114&plugin=1>

towards the size and distribution of the EU budget are influenced by contrasting views between net beneficiaries and net contributors. With the growth of the EU budget, a distinct 'net contributors club' emerged in the Union, led by Germany but joined also by the UK, the Netherlands, Austria, Sweden, Finland, and Denmark. The departure of the UK from the Union raises challenging issues for the future of the EU budget and its capacity to redistribute once the 2020 funding period ends. The net contributors are committed to controlling increases in the EU budget and limiting the budgetary costs of cohesion. As more states become net contributors, this club is set to grow. The poor countries as beneficiaries of financial transfers tend to argue for larger budgetary resources and additional instruments.

Third, relative wealth influences attitudes towards EU regulation, notably in environmental and social policy. The richer states have more stringent, developed systems of regulation that impose extra costs on their productive industries. They thus favour the spread of higher standards of regulation to peripheral Europe. By

contrast, the poorer states, in their search for economic development, often want to avoid imposing the costs of high standard regulation on their industries. Overall, environmental and social standards have risen in Europe, particularly in peripheral Europe, but not to the extent desired by the wealthier states.

## State structure

The internal constitutional structure of a member state has an impact on how it operates in the EU, and not just in terms of whether it has a Presidential or parliamentary-led system. The Union of 28 has three federal states—Germany, Austria, and Belgium. Others are unitary states or quasi-unitary, although the line is not always easy to draw. Unitary states can have subnational governments, self-governing regions, and autonomous communities. For example, Spain and the UK are in some ways *de facto* federations. Moreover, their devolution settlements are under considerable strain arising from the growth of both Catalan and Scottish nationalism. The subnational units in all three federal states have played a significant role in the constitutional development of the Union. The German *Länder*, in particular, insisted in the 1990s that they be given an enhanced say in German European policy. They have been advocates of **subsidiarity** (see Box 2.2) and the creation of the European Committee of the Regions. In the 1992 Maastricht Treaty, they won the right to send *Länder* ministers and officials to represent Germany in the Council of ministers when matters within their competence are discussed. Representatives of the German and Austrian *Länder*, representatives of the Belgian regions and cultural communities, as well as ministers of the Scottish government now sit at the Council table and can commit their national governments. The Brexit process is particularly difficult for Scotland as a majority of its electorate voted to Remain (62 per cent) and the exit of the UK has implications for the distribution of powers within the state (see Chapter 10).

In addition to direct representation, there has been an explosion of regional and local offices in Brussels from the mid-1980s onwards (Tatham and Thau 2014). Increasingly, state and regional governments, local authorities, and cities feel the need for direct representation in Brussels. Their offices act as a conduit of information from the EU to the subnational level within the member states. They engage in tracking EU legislation, **lobbying** for grants, and seeking partners for European projects. Not unexpectedly, there can be tension between national governments and the offices that engage in para-diplomacy in the Brussels arena (see Tatham 2013).

## Economic ideology

Much of what the EU does is designed to create the conditions of enhanced economic integration through **market** building. The manner in which this economic liberalization has developed has been greatly influenced by the dominant economic and social paradigms of the member states. Different visions of the proper balance

between public and private power, or between the state and market have left their traces on how the EU works. Hall (2014) has explored how different types of capitalism—export-led growth models in northern EU economies and demand-led growth models in southern EU economies—shaped both the nature of Eurozone economies in the years leading up to the crisis and subsequent policy responses.

All six founding member states might be regarded as adhering to a continental or Christian democratic model of capitalism. Yet, there are important differences amongst them. For instance, France traditionally has supported far more interventionist public policies than the German economic model would tolerate. But differences between France and Germany fade in comparison to differences between continental capitalism and the Anglo-Saxon tradition. The accession of the UK in 1973 and the deregulatory policies of successive Conservative governments brought the so-called Anglo-Saxon economic paradigm into the Union. The UK has been a supporter of deregulation and economic liberalization in the Union but not always of reregulation at Union level, particularly in the social and environmental fields. The UK's departure will alter the balance between different economic paradigms in the Union by reducing the weight of the economic liberals.

The Anglo-Saxon tradition, however, has always been somewhat balanced by the accession of the Nordic states with a social democratic tradition of economic governance and social provision, combined with a strong belief in market liberalization. The Anglo-Saxon economic model gained further ground with the 2004 and 2007 enlargements. The Eastern states generally favour a more liberal economic agenda. They were instrumental in pushing for a more liberal services [directive](#) in 2006. However, as Goetz (2005) argues, the new member states brought a diverse set of interests to EU policy-making and intra-regional cooperation between them is weak, making any notion of an 'eastern bloc' more myth than reality.

A battle of ideas continues in the Union, based on competing views about the right balance between state and market, the role of the EU in regulation, and questions of economic governance more generally. These differences were sharply exposed during the 2010 financial crisis when it became apparent that the public finances of a number of member states, notably Greece, Spain, Portugal, Cyprus, Italy, and Ireland, were on an unsustainable trajectory. In some cases, this situation arose because of problems in their banking systems. Following considerable disagreement, the (then) 16 euro member states (with Germany as primary paymaster) agreed to €500 billion of loan guarantees and emergency funding to address the Greek crisis. Following the intervention in Greece, three further member states were rescued: Ireland, Portugal, and Cyprus. Spain received assistance for its banking system and Italy came under very strong market pressure. One important result was unprecedented involvement by the President of the [European Central Bank](#) (ECB), Mario Draghi, who pledged in June 2012 to do whatever it took to support the euro (see Matthijs 2016). His intervention appeared to calm the financial markets and ended the acute phase of the euro crisis. Nevertheless, efforts to construct new rules and institutions to regulate systemically important banks and

handle any future fiscal problems in Eurozone member states are ongoing (see Wolff 2017).

## Integration preference

The terms pro- and anti-European, or ‘good’ European and awkward partner, are frequently bandied about to describe national attitudes towards the EU. The UK, Denmark, Poland, Hungary, and the Czech Republic are usually portrayed as reluctant Europeans (see Table 4.3). While not entirely false, such categorizations disguise several facts. First, attitudes towards European integration are moulded not just by nationality but also (and often more powerfully) by factors such as socio-economic class, age, or educational attainment. Second, in all states we find a significant split between the attitudes of those who might be called ‘the top decision-makers’ and the mass public. A very high proportion of elites accept that their state has benefited from EU membership, and that membership is in their state’s national interest. The wider public, in many states, does not share these sentiments. For instance, the comparative Table 4.3 illustrates the particular impact of the economic crisis. Although the percentage of EU citizens feeling that membership is a good thing for their country has increased across the Union since the depths of the crisis in 2011–12, certain countries (including Greece, Italy, and Romania) have seen a further fall in the number of citizens feeling that EU membership is a good thing (Eurobarometer 2016).

During the financial crisis, the decline in public support for the EU was particularly sharp in those states—Ireland, Spain, Greece, and Italy—that confronted a public finance crisis as well as in Germany, the member state that was asked to provide the most aid to those states. Most of the new member states were also characterized by a sharp decline in public support for the EU. Attitudes towards the EU in the UK were particularly salient as the 2013 pledge by Prime Minister David Cameron to hold an ‘in or out’ referendum on the question of membership led to UK voters opting to leave the EU in June 2016 (Chapter 10). The decision by a large and important state to choose exit from the Union over a seat at the table was a major shock to the EU.

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



**TABLE 4.3** Public attitudes to EU membership

Member state	Per cent responding that EU membership is a 'good thing'*		
	2007	2011	2016
Netherlands	77	68	72
Ireland	76	63	74
Luxembourg	74	72	81
Spain	73	55	55
Belgium	70	65	65
Poland	67	53	61
Romania	67	57	53
Denmark	66	55	62
Estonia	66	49	66
Germany	65	54	71
Slovakia	64	52	54
EU AVERAGE	57	47	53
Slovenia	58	39	46
Greece	55	38	31
Portugal	55	39	47
Bulgaria	55	48	49
France	52	46	48
Italy	51	41	33
Malta	51	42	58
Sweden	50	56	64
Croatia	N/A	N/A	46
Czech Republic	46	31	32
Cyprus	44	37	34
Finland	42	47	60
UK	39	26	47
Hungary	37	32	47
Latvia	37	25	48
Austria	36	37	37

Notes: \*Question: 'Generally speaking, do you think that (YOUR COUNTRY)'s membership of the European Union is a good thing, a bad thing, or neither good nor bad?' Note that this question has not been asked since Eurobarometer 75 in August 2011. In the figure for Cyprus, only the interviews conducted in the part of the country controlled by the government of the Republic of Cyprus are recorded.

Source: Eurobarometer Report 67: Public Opinion in the European Union (Nov 2007), at [http://ec.europa.eu/public\\_opinion/archives/eb/eb67/eb67\\_en.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb67/eb67_en.pdf); Eurobarometer Report 75: Public Opinion in the European Union (Aug 2011), at [http://ec.europa.eu/public\\_opinion/archives/eb/eb75/eb75\\_publ\\_fr.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb75/eb75_publ_fr.pdf); Eurobarometer Report 86 (Sep/Oct 2016), as reported in [http://www.europarl.europa.eu/pdf/eurobarometre/2016/parlemetre/eb86\\_1\\_parlemetre\\_synthesis\\_en.pdf](http://www.europarl.europa.eu/pdf/eurobarometre/2016/parlemetre/eb86_1_parlemetre_synthesis_en.pdf).

An important feature of EU treaty change since the early 1990s has been the greater frequency with which states have been allowed to 'opt out' of certain policy developments. This dynamic in European integration is labelled differentiated integration in the scholarly literature (Schimmelfennig 2015). For example, Denmark has opted out of the euro, parts of the **Schengen Agreement** on the free movement of people, and defence aspects of the **Common Foreign and Security Policy (CFSP)**. Similarly, the UK is not part of the euro, and neither it nor Ireland is a full participant in Schengen. Of the newer member states, only Slovenia, Slovakia, Malta, Lithuania, Cyprus, Estonia, and Latvia are thus far part of the Eurozone. Membership and non-membership of the Eurozone became more significant as the euro states had to engage in deeper policy integration to combat the euro crisis (see Box 4.2).

#### BOX 4.2 Rescuing the euro

The 2008 global financial crisis morphed into a Eurozone crisis in autumn 2009 when it became apparent that Greece had a serious public finance crisis. Between December 2009 and May 2010, the euro states, particularly Germany, struggled politically to come to terms with the consequences of the crisis and the need to bail out Greece. Eventually, the situation within the Eurozone became sufficiently serious that Greece was rescued on 2 May. Full programmes for Ireland, Portugal, and Cyprus followed. Spain avoided a full bailout but received support for its banks. The Eurozone crisis underlined the deep interdependence among member states in the single currency.

The crisis was one of the most serious every experienced in the EU. The Union's laws, institutions, and policy capacity were stretched to the limit. During the crisis, Germany emerged as the dominant state as its support was necessary for every rescue. German Chancellor Angela Merkel became the leading politician in the EU. Policy developed along two tracks. First, there were bailouts for the most troubled countries. They became 'programme countries' subject to very strict **conditionality** from the so-called Troika: the Commission, ECB, and International Monetary Fund (IMF). Second, the Eurozone developed a range of new policy instruments to prevent future crises from re-occurring and agreed very stringent new laws to govern member state public finances. These laws were known as the 'Six Pack', 'Two Pack', and Fiscal Compact. Taken together, these laws amounted to much stronger surveillance by the Commission and other member states of the public finances and macro-economic management of each member state. In addition, the Eurozone states agreed to establish a banking union bringing financial supervision under the control of the ECB.

The severity of the crisis pitted the creditor states in the North against the debtor states in the South (Ireland became an honorary member of Club Med). The latter—Greece, Portugal, Spain, Italy, and Ireland—bore the brunt of the austerity policies that were imposed. The crisis also created tension between the members of the euro and those outside. For extended discussions of the crisis, see Authers (2012); Marsh (2013); Pisani-Ferry (2014); Stiglitz (2016); and Varoufakis (2016).

When member states hold referendums on European treaties (of which there have been over 30) and on policy issues, there is often a blurring of the boundaries between domestic politics and the future of the EU. The Constitutional Treaty was the subject of four referendums in 2005 and was defeated in two held in France and the Netherlands. This round was followed by the defeat of the first referendum on the Lisbon Treaty in 2008 in Ireland. Three dramatic referendum defeats in as many years meant that the stakes in the second Irish referendum held in October 2009 were very high. Referendums have posed significant political tests for the EU over the last 30 years and are becoming an important political mechanism in European integration (Hobolt 2009; Box 4.3).

#### BOX 4.3 How it really works: Referendums

National referendums—or direct democracy—on European issues are a significant feature of how member states relate to the EU. In a national referendum on a European treaty or policy, the domestic electorate gets voice on an issue that has consequences for the EU as a whole. Since 1972 there have been 56 EU-related referendums in the member states, of which 62 per cent were on membership and ratification of a major European treaty. Since the coming into force of the Lisbon Treaty in December 2009, there have been nine referendums. This latter number highlights the fact that referendums are a growing feature of EU politics. Since 2009, only two of nine referendums were on the question of EU membership (Croatia 2012 and UK 2016) and only one on the addition of a new European treaty to the EU, namely, the 2012 referendum in Ireland on the Fiscal Compact. All of the others were on single issues. Two referendums were held in Denmark, one on the Patent Court that was carried and the second on opting-in to areas of EU justice and home affairs (JHA) policy that was defeated. Arising from a citizens initiative, the Netherlands held a referendum on the EU-Ukraine Association Agreement (2016), which was defeated. Following the 'No' vote the Netherlands and the EU entered talks on how manage the ratification process in the light of the negative verdict (on a somewhat arcane question). The most significant referendum of the nine was the decision by the UK electorate in June 2016 to leave the EU. This result triggered the Article 50 withdrawal process, which will lead to a UK exit in March 2019. For more on referendums in the EU, see Hobolt (2009).

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

cross-cutting dimensions, there are different cleavages on different issues, and this mix is part of what makes the EU unique.

## Member States in Action

Member states are not the only players in town, but national governments retain a privileged position in the EU. What emerge, as national interests from domestic systems of preference formation, remain central to how the EU works. But member states are not unitary actors. Rather, each consists of a myriad players who project their own preferences in the Brussels arena. National administrations, the wider public service, key interests (notably, business, trades unions, farming organizations, and other societal interests) all seek voice and representation in EU politics. A striking feature of European integration is the extent to which national actors have been drawn out of the domestic arena into the Brussels system of policy-making.

As Chapter 3 highlighted, the national and the European meet in a formal sense in the Council, the EU institution designed to give voice and representation to national preferences. On a midweek day, there are usually around 20 official meeting rooms in use in the Council building (named after the sixteenth-century Belgian philosopher, Justus Lipsius), apart from the month of August, when the Brussels system goes on holiday. Formal meetings are supplemented by bilateral meetings on the margins of Council meetings, informal chats over espressos, and by media briefings. Thus considerable backroom dealing, arbitrage, and informal politics augment the formal system of policy-making (see Chapter 6). In the evenings, national officials (from some member states more than others) frequent the many bars near the Rond Point Schuman, the junction in Brussels where several EU institutions are housed. The evening busses to Zaventem (the Brussels airport) are often full of national officials making their way back to their capitals after a long day in Council working groups. Those within earshot can pick up good anecdotal evidence of how the EU actually works when member state officials pick over the details of EU proposals.

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

National representatives in Brussels seek to exploit their political, academic, sectoral, and personal networks to the full. With more member states, a widening agenda, and advanced communications technology, there has been a discernible



increase in horizontal interaction between the member states at all levels—prime-ministerial, ministerial, senior official, and desk officer. Each prime minister and the French president has a Sherpa whose job it is to maintain contact with counterparts across Europe and to prepare for the multi-lateral and bilateral meetings of their political masters. Specialists forge and maintain links with their counterparts in other member states on a continuous basis. Deliberations are no longer left primarily to meetings at working group level in Brussels. Sophisticated networking is part and parcel of the Brussels game. Officials who have long experience of it build up extensive personal contacts and friendships in the system.

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

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

## Managing EU Business

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

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

As discussed in Chapter 3, each member state also has a permanent representation in Brussels, a kind of embassy to the EU. In most cases it is the most important and biggest foreign representation the country maintains anywhere in the world.

It is, for example, usually much bigger than an embassy in Washington, DC, or Moscow or a representation to the United Nations. Although the official role of the permanent representation of each member state varies, they all participate actively in several stages of the policy-making process. In certain member states they are the key player in the whole process.

## A Community of Values

Article 2 of the Lisbon Treaty codifies the values that are shared by EU member states. The rule of law and related values are fundamental to what it is to be a member state. This credo has been directly threatened by the election of illiberal Eurosceptic politicians to office in two member states. Since the election of Victor Orban as Hungarian prime minister in 2010, the EU has confronted the situation of a member state government openly challenging the foundational values of the EU by attacking civil society organizations and the Central European University (CEU). Developments in Hungary were followed by the election, in 2015, of the Law and Justice Party (PiS) in Poland, which returned to power a government that began to undermine the freedom of its judicial system, media freedom, and civil society organizations (see Sedelmeier 2014; more broadly, Diamond 2015; and Kochenov and Pech 2016). The EU and notably the Commission struggled to respond to having populist authoritarians around the table. In 2016 the Commission launched a dialogue under the Rule of Law Framework (the precursor to Article 7, which can lead to sanctions against a member state) because of the undermining of Poland's Constitutional Tribunal, its highest level court. The Commission also has taken infringement proceedings against the Hungarian government. Article 7 infringement proceedings have not, at the time of writing, been launched. Developments in Hungary and Poland pose an existential challenge to the EU as it is a Union based on law and all member states must trust their partners' political and legal processes. Serious undermining of the EU as a 'community of values' risks undermining the Union from within.

## Explaining Member States' Engagement

We have looked at the factors that determine the engagement of different states in the EU, and at the member states in action. What additional purchase do we get from theory in analysing member states in the Union? The relationship between the EU and its member states has been one of the most enduring puzzles in the literature on European integration. From the outset, the impact of EU membership on statehood and individual states has been hotly contested. At issue is whether the EU strengthens, transcends, or transforms its member states. Is the Union simply a creature of its member states? Are they still the masters of the treaties? Or has the EU irrevocably transformed European nation states? The relationship between the

EU and its member states is a live political issue and not simply a point of contention amongst scholars. The theories and approaches introduced in Chapter 1 provide different lenses with which to analyse the member states in the Union.

**Liberal intergovernmentalism** provides a theoretical framework that enables us to trace the formation of domestic preferences in the member states and then to see how they are bargained in Brussels. It identifies the domestic sources of the underlying preferences and the subsequent process of interstate bargaining. The approach rightly concludes that the EU is an ‘institution so firmly grounded in the core interests of national governments that it occupies a permanent position at the heart of the European political landscape’ (Moravcsik 1998: 501). This approach is less helpful in tracing the impact of the EU on national preference formation or the cumulative impact of EU membership on its member states. Its focus on one-off bargains provides a snapshot of the Union at any one time rather than a film or ‘moving picture’ of how membership may generate deep processes of change (see Pierson 1996). Bickerton *et al.* (2015) claim to have adapted a ‘new intergovernmentalism’ that helps explain the ‘integration paradox’, whereby European integration has accelerated over the past 20 years without major transfers of power to supranational institutions.

Contemporary theorists who view the EU through the lenses of **multi-level** (Hooghe and Marks 2003) or **supranational governance** (Sandholtz and Stone Sweet 1998) emphasize how the national and the European levels of governance have become fundamentally intertwined. Similarly, Bartolini (2005) links the dynamics of European integration to state formation, concluding that the EU represents the latest stage in the emergence and adaption of the European nation state and state system. These approaches point to the influence of supranational institutions—notably the Commission, Court, and Parliament—on the EU and its member states. The EU may be grounded in the core interests of the national governments. But the definition of core interest is influenced by membership of the EU and its continuous effects at the national level. Put another way, the EU has evolved into a political system in its own right that is more than the sum of its member states. Becoming a member state is a step change from being a nation state.

The **new institutionalism** offers at least two crucial insights concerning member states in the EU political system. First, its emphasis on change over time captures the give-and-take nature of EU negotiations and the manner in which norms and procedures are built up gradually. Second, its concern with **path dependency** highlights the substantial resources that member states have invested in the Union (Meunier and McNamara 2007; Bulmer 2009). The costs of exit are very high and hence the decision of the UK to leave was a major shock both to the EU and to the UK as each attempts to disentangle itself from the other after 44 years of becoming increasingly intertwined. The EU’s approach to managing diversity is to allow for differentiated integration, which may have a functional or territorial dimension, with different subsets of member states integrating in specific policy areas more than have all member states in the Union as a whole. Successive rounds of

enlargement have led to increasing differentiation, which is intrinsic to the dynamic of integration.

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

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

#### BOX 4.4 How it really works: Decision gridlock?

Taking decisions in a big group is never easy. When the EU almost doubled its membership from 2004–7, many feared that the EU would face permanent gridlock. How did things actually turn out? Studies show that from 2004–6, the amount of legislation decreased compared to the rate prior to the 'big bang' enlargement (Hagemann and De Clerck-Sachsse 2007; Heisenberg 2007). Yet at the same time the EU was able to hammer out compromises at approximately the same pace as before. And the average time from a Commission initiative to an approved legal act remained approximately the same for an EU of 28 as it was for a Union of 15 (Settembri 2007).

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

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



## Conclusion

It is impossible to understand how the EU works without understanding its member states and their central role in the establishment and operation of the Union. In turn, the EU has altered the political, constitutional, economic, and policy framework within which the member state governments govern. Becoming a member state is transformative of statehood in Europe. Each enlargement is different and each enlargement has changed the dynamics of the EU (see Chapter 8). Many were afraid that the Union's decision-making would grind to a halt with the enlargements of the 2000s. Generally, it seems that these fears were unfounded. In fact, the pace of EU decision-making was not noticeably slower than before, despite (or perhaps because of) its expansion to 28 member states (see Box 4.4), although it was widely agreed that the Union needed new rules to streamline decision-making to avoid paralysis in the longer term.

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

### DISCUSSION QUESTIONS

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



## FURTHER READING

The literature on the member states of the Union is very diffuse. A good starting point is Bulmer and Lequesne (2012). Jones *et al.* (2012) contains a set of interesting chapters (18 to 22) on the member states and their various cleavages. Other comparative works include Zeff and Pirro (2015) and, specifically on the newer member states, Henderson (2007) and Baun *et al.* (2006). Grimaud (2018) examines the role and influence of the EU's smallest state—Malta—in the EU's decision-making process. Other country-specific studies include Closa and Heywood (2004), Papadimitriou and Phinnemore (2007), and Laffan and O'Mahony (2008). On the role, and importance, of Germany leadership within the EU, see Bulmer (2014) and on the interdependent histories of the EU and Germany, see Bulmer *et al.* (2010). The importance of the Franco-German tandem is evaluated by Krotz and Schild (2013) and Schoeller (2018). Classic discussions of the relationship between statehood and integration include Hoffmann (1966), Milward (2000), Moravcsik (1998) and Bartolini (2005). On the national management of EU business and the impact of the Union on national institutions, see Kassim *et al.* (2001) and Bulmer and Burch (2009). Saurugger (2014) explores the concept of Europeanization—the process through which the EU impacts the domestic level—in times of crisis.

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## WEB LINKS

- The Institute for European Politics' (Berlin) website features an enormously useful 'EU 28 watch' which offers a round-up of current thinking on EU policies and issues in all the member states: <http://www.eu-28watch.org/>
- The best place to search for websites of the member and candidate states' national administrations is [https://europa.eu/european-union/about-eu/countries\\_en](https://europa.eu/european-union/about-eu/countries_en)
- Other useful links can also be found on the homepage of the European Commission, [http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm)

Visit the Ancillary Resource Centre that accompanies this book for additional material:  
[www.oup.com/uk/kenealy5e/](http://www.oup.com/uk/kenealy5e/)