CHAPTER 4

EU Member States

Ramona Coman and Daniel Kenealy

Summary

This chapter starts by emphasizing the diversity of the EU-27. Given their historical trajectories—and their political, social, cultural, and economic traditions—the key questions at the core of the study of the EU have always been: why do member states engage in EU integration? And how? Several theoretical explanations have been developed in an attempt to answer the 'why' question. Section 4.2 contrasts LI with postfunctionalism—both of which shed light on member states' various visions for Europe, including the development of patterns of differentiated integration. Section 4.3 provides an answer to the 'how' question, focusing on the Council (of ministers), how it votes, the coalition patterns among member states, and the missions of the chair of the presidency, which rotates among the EU member states every six months. Section 4.3 also examines the growing role of the European Council, which, according to new intergovernmentalism, has become the centre of gravity of EU decision-making.

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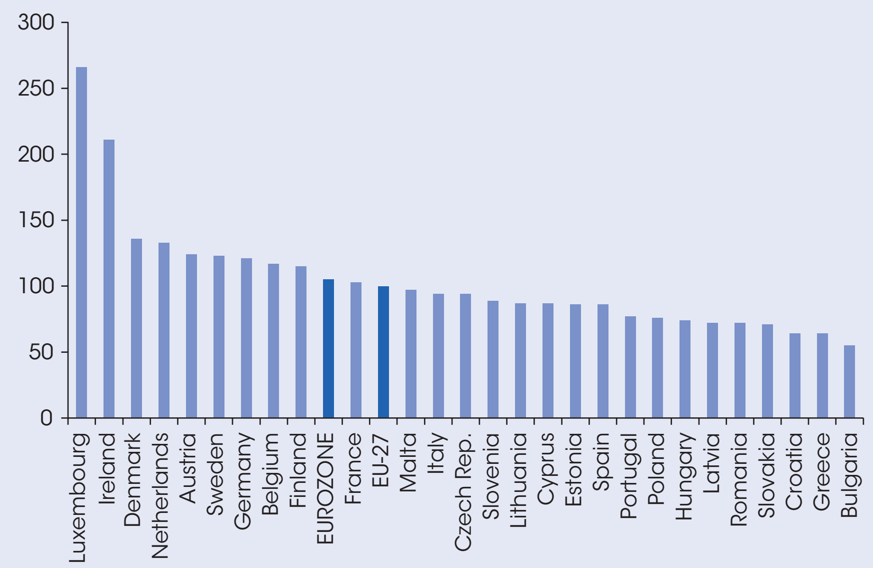
4.1 Introduction

The EU-27 have different historical experiences and trajectories. They are culturally and ethnically varied, with different political structures, economic and social situations, overlapping histories, cultures, and memories (Judt 2005: xiii). Historically, nation states on the European continent have followed different paths to modernity, with varying experiences of capitalist development, industrialization, and urbanization. Some states, such as France and the UK, have even been at the centre of revolutions, and have long traditions as nation states. Others—in particular in the east of Europe—have been part of empires and only emerged as independent states in the twentieth century. CEE countries, as well as the Baltic States, did not share the experience of Western Europe after World War II, as they were led by communist political parties until the fall of the Berlin wall in 1989 and the disintegration of the Soviet Union in 1991. While Western member states have long democratic traditions, Southern European and CEE countries—as well as the Baltic States—were under authoritarian or totalitarian regimes for decades.

Member states are also economically diverse. Western and Southern European states have long been market economies; in contrast, the former communist countries from CEE countries and the Baltic States have only fairly recently dismantled the structures of a socialist economy to establish market economies. Not only do member states vary in terms of economic prosperity, they also have different preferences in terms of socio-economic models, all rooted in their history. Some are ardent supporters of liberal market economies, while others prefer coordinated market economies (Hall and Soskice 2001). Culturally, EU member states have three official scripts: Latin, Greek, and Cyrillic. There are also over 200 minority and regional languages, in addition to the 24 official languages of the EU, all of which have the same legal standing, making the EU the most multilingual polity in the world. In a nutshell, what member states have in common is their diversity. In terms of population and size, EU member states can be categorized as small or large, rich or poor. According to Eurostat, in 2020, Luxembourg (€266)—followed by Ireland (€211), Denmark (€136), the Netherlands (€133), Austria (€124), Sweden (€123), and Germany (€121)—recorded the highest gross domestic product (GDP) per capita, while Bulgaria (€55), followed by Greece (€64) and Croatia (€64) had the lowest levels, 45 per cent below the EU-27 average (Figure 4.1).[1] In terms of political organization, some are federal states, others are more centralized; some are parliamentary democracies, others presidential or semi-presidential; some are constitutional monarchies, others are republics (Table 4.1). Given their diversity, the question at the core of EU studies is: why and how do member states' governments shape the process of EU integration, by adopting decisions at the EU level, which affect almost 450 million Europeans?

[1] Source: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=GDP_per_capita,_consumption_per_capita_and_price_level_indices#Overview

Figure 4.1 GDP per capita of the EU-27 (2020)



Source: Eurostat, © European Union.

TABLE 4.1 Diversity of member states*

Culturally

5 where a majority speak a Latin based language: FR, IT, PT, ES, RO

8 speak predominantly a Germanic language: AT, BE, DK, DE, IE, LU, NL, SE

8 speak predominantly a Slavic language: BG, HR, CZ, LV, LT, PL, SK, SI

6 speak predominantly a language from another group: CY, EE, FI, EL, HU, MT

7 historically Protestant majority: DK, EE, FI, DE, LV, NL, SE

4 historically Orthodox majority: BG, CY, EL, RO

16 historically Catholic majority: AT, BE, HR, CZ, FR, HN, IE, IT, LT, LU, MT, PL, PT, SK, SI, ES

11 former Communist countries: BG, HR, CZ, EE, HU, LV, LT, PL, RO, SK, SI (including 3 former USSR republics EE, LT, LV)

16 'Western': AT, BE, CY, DK, FI, FR, DE, IE, IT, LU, MT, NL, SE (of which 3 were dictatorships until 1970s: EL, PT, ES)

5 had overseas empires in the colonial era until after World War II: BE, FR, NL, PT, ES

3 had overseas possessions prior to World War II: DK, DE, IT

19 had no overseas empire

State structure

6 monarchies: BE, DK, LU, NL, ES, SE

21 republics: AT, BG, HR, CY, CZ, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, MT, PL, PT, RO, SK, SI

3 federal states: DE, AT, BE

2 highly devolved: ES, IT

4 have presidential or semi-presidential systems and their executive president attends European Council: CY, FR, LT, RO

23 have parliamentary systems and their prime minister (or chancellor) attends European Council: AT, BE, BG, HR, CZ, DK, EE, FI, DE, EL, HU, IE, IT, LV, LU, MT, NL, PL, PT, SK, SI, ES, SE

And

3 drive on the left: MT, CY, IRL

*For differences in prosperity and size (population), see Figure 4.1 and Table 4.3.
Initials are the EU's standard two-letter country codes (see Table 4.2).

The concept of a member state is a complex one (see Box 4.1). From a legal perspective, it encapsulates the idea of national governments acting at the EU level in the European Council (through their leaders, i.e. heads of state or government) and in the Council (where ministers represent national interests). From a political a~~w~~nd sociological perspective, the concept includes 'all political actors and institutions within a member state' (Bulmer and Lequesne 2020: 3). Member states are key actors in the integration process: they are the 'masters of the treaties' and they shape the future of the EU through the revision of these treaties. National governments are also key players in the day-to-day decision-making process, promoting their interests and preferences in interactions with other member states and EU institutional actors.

This chapter is divided into two main sections. The *why* question at the core of section 4.2 is theoretical in approach, and invites the reader to consider some of the key theories in EU studies such as **intergovernmentalism** (both liberal and new) and **postfunctionalism** (see section 1.2). Although different, each theory allows one to understand political dynamics among member states at the EU level and within them, domestically. Both theories seek to explain the positions of member states at the EU level and their visions for Europe. Recall from section 1.2 that there is no single theory of the EU; rather the theories we select depend on the questions we seek to answer. Intergovernmentalism and postfunctionalism—as theories that aim to explain integration, with an emphasis on member state governments, domestic interest groups and/or national publics—are thus especially resonant when exploring the EU's member states.

The *how* question is the focus of section 4.3, which presents real-world interactions between member states in the Council and the European Council, as well as some coalition patterns and cleavages (e.g. large vs. small; rich vs. poor; new vs. old; left vs. right). One of the principal institutional tasks of EU member states being to hold the rotating presidency of the Council for six months, the chapter defines the main roles to be performed in this context, highlighting also the centrality of the European Council—and thus the member states—in decision-making in a context of polycentric crises as put forward by the **new intergovernmentalism** (illustrated in the historical decision of July 2020 allowing the Commission to borrow €750 billion on the capital market to help member states collectively overcome the effects of the COVID-19 pandemic—see section 10.3.1).

BOX 4.1 The concept of a member state

Member states are 'the high contracting parties' who agree to establish among themselves a European Union. As stated by the CJEU in its judgment of 15 July 1964 in the case *Costa v ENEL*, 'by creating a Community of unlimited duration, having its own institutions, its own personality, its own legal capacity (. . .), the Member States have limited their sovereign rights, albeit within limited fields'. This limitation of sovereignty is enshrined in the treaty revisions, which result, according to LI, from the bargaining among member states, and require their unanimous consent.

The limitations of sovereign rights vary. In some policy areas, member states no longer have the power to legislate at the domestic level. For example, the EU institutions have exclusive competence for competition policy, for external trade policies, or for monetary policy (in the case of Eurozone members). In other areas, such as social regulation, transportation, or economic, social, and territorial cohesion, member states agreed to establish shared competences, meaning that both may act, but any EU legislation has primacy over national legislation. Finally, member states have decided to coordinate their action in policy areas, which are domestically sensitive but need to be discussed collectively to avoid the danger of conducting separate domestic policies (see Table 5.1).

EU membership also creates rights and obligations for citizens, businesses, and other organizations. As the treaty states, 'Member States shall take any appropriate measure (. . .) to ensure fulfilment of the obligations arising out of the Treaties or resulting from the acts of the institutions of the Union' and 'shall facilitate the achievement of the Union's tasks and refrain from any measure which could jeopardise the attainment of the Union's objectives' (Article 4 TEU).

4.2 Explaining Member States' Engagement with the EU

Why and how do member states engage with the EU? These are two of the key questions scholars in EU Studies have sought to answer since the dawn of European integration. This section illustrates that economic preferences, wealth, and power matter in understanding member states' engagement with the EU—as LI contends—but that beliefs, identity, and values matter as well, as argued by postfunctionalism.

4.2.1 Liberal intergovernmentalism

Seeking to shed light on the evolution of European integration, Moravcsik (1998) developed the theory of LI. In his book *The Choice for Europe*, Moravcsik argued that states are rational and unitary actors seeking to maximize their interests in a context of economic interdependence. To this end, with each revision of the treaties, member states have agreed to share or to pool national sovereignty to solve domestic or transnational problems. In other words, LI contends that European integration reflects the will of member states (Moravcsik 1998: 3). It is the result of their rational choices and preferences, in response to structural incentives in the global economy (Moravcsik 1998: 3; Alter 1998). Moravcsik conceptualized a model of preference formation in three steps (1998: 24):

- First, member states determine their preferences at the domestic level;
- Second, they bargain them at the supranational level among national governments, and;
- Third, they design supranational institutions—the EP, the Commission, the Court of Justice, the ECB—to secure and implement the outcomes of their collective bargains.

The creation of supranational institutions then facilitates cooperation to secure member states' economic interests. From this perspective, although sovereignty is pooled or shared, states remain the masters of the integration process and their sovereignty is untouched. As Milward (1984) argued, EU integration did not weaken, but instead strengthened nation states. Yet, this shift from *nation states* to *member states* is not without implications for sovereignty (Bickerton 2012). This legal status is associated with a set of rights, obligations, and guaranties of member states vis-à-vis each other and the EU (see Box 4.1). It also implies a complex process of transformation that member states need to adapt within the broader process of EU integration, defined by scholars as Europeanization (see Box 4.2).

BOX 4.2 Spotlight on: Europeanization

Scholars have long sought to explain European integration. Since the 1990s, attention has slowly begun to change to focus on EU integration's impact on member states. This broad process of change in the member states themselves (see Ladrech 2010) has been labelled **Europeanization**, understood as a 'process of (a) construction, (b) diffusion and (c) institutionalization of rules, procedures, policy paradigms, shared beliefs and norms which are first defined and consolidated at the EU level and then incorporated in the logics of domestic discourses, identities, political structures, and public policies' (Radaelli 2000). Put simply, Europeanization explores how the ways in which member states work—both in terms of how they make policy and the policies themselves—are changed by their membership of the EU.

This process of change brought on by EU integration—observed at the level of polity (i.e. institutions), politics (i.e. modes of interest representation), and public policy (see Radaelli 2000)—takes different forms. Some domestic transformations result from **top down Europeanization**, meaning the obligations of member states to implement decisions that they agreed at the supranational level through treaties, regulations, and directives. Others are the outcome of **bottom up Europeanization**—that, is the 'uploading of national preferences' into EU policy-making (Ladrech 2010: 14). The cause of change can also take the form of **horizontal Europeanization**, driven by member states themselves through diffusion of best practices and policy ideas.

While there is a clear correlation between developments at the EU level and changes in member states, the 'cause of change' is more difficult to capture (Exadaktylos and Radaelli 2009). Europeanization is rather a complex, interactive process 'in which domestic polities, politics and public policies are shaped by European integration and in which domestic actors use European integration to shape the domestic arena' (Dyson and Goetz 2003: 20). Top down and bottom up dynamics are intertwined. Europeanization is not a uniform process either. It leads to a variety of outcomes, conceptualized by Radaelli (2000) as forms of **absorption or accommodation** (i.e. member states incorporate EU ideas without substantially modifying their domestic politics and/or policies), **transformation** (i.e. member states replace their policies and institutions by substantially different ones defined at the EU level), **inertia** (i.e. lack of change), and **retrenchment** (i.e. domestic policies become less Europeanized despite the dynamics of integration).

Recent crises have challenged EU member states in many ways. The decisions adopted in the fast-burning phase of the Eurozone crisis to save the euro have led to increased Europeanization. However, Europeanization is not the only possible outcome. Other developments have led to new phenomena such as disintegration and even 'de-Europeanization' (Coman and Tulmets 2020: 349), that is an increased detachment from the EU's core norms, principles, and values.

4.2.2 Postfunctionalism

The liberal intergovernmental account of EU integration shows a European project that has been driven mostly by pro-European political governmental elites bargaining at the EU level to maximize their preferences. Although criticized for its focus on large, 'history-making' decisions (such as the revision of the treaties), LI has long remained one of the most attractive theories for scholars seeking to understand precisely why member states engage in European integration. The 1990s, for example, marked the 'end of the permissive consensus' (Hooghe and Marks 2009), when it became clear that pursuing EU integration *for the people* but *without the people* was no longer possible ~~(Coman et al. 2020)~~. While there had been widespread approval for European integration among EU citizens for a long time, as Patel ~~(2020)~~ argued, integration, as a process, was not deeply rooted in society. In his words, 'peoples supported the integration project as long as it remained abstract and had little impact on their lives' (Patel 2020: 138).

However, as the process of integration deepened—through the SEA, which represented the first major revision of the treaties in 1986, and the Maastricht Treaty, which took integration more explicitly into areas of core state powers such as money, security, and foreign affairs—it began to encounter stronger opposition from both member state governments and their citizens. Not only did member states' governments bargain hard to prevent the European project going beyond what they felt was needed to realize their economic interests, for the first time, states themselves faced mounting popular dissent and contestation. The Danes for example rejected the Maastricht Treaty in a referendum on 2 June 1992 (with 50.7 per cent of the 83 per cent record turnout voting against it). In May 1993, after obtaining some opt-outs in key policy areas such as the EMU and Justice and Home Affairs (JHA), 56.7 per cent of Danes voted in favour. In France, the Maastricht Treaty was also submitted to referendum; it obtained a little 'oui' (50.8 per cent) in September 1992. In Germany too, where citizens have historically been supportive of European integration, there has been increasing reluctance since the euro replaced the deutsche mark, a former symbol of economic power and sovereignty (Beichelt 2013: 88). The Maastricht Treaty was only the beginning of an era of increased contestation.

In 2005, citizens rejected the Constitutional Treaty in France and in the Netherlands. While French citizens were opposed to further liberalization, in the Netherlands, voters were opposed to new waves of enlargement and the accession of Turkey. Later, the Lisbon Treaty was rejected by Ireland in June 2008 by 53.6 per cent of the 50 per cent of Irish voters who turned out. Observers have argued that the vote did not express a rejection of the idea of Europe, but rather the refusal of a treaty that was difficult to understand and had been drafted by European elites disconnected from citizens, as reported by *The Guardian* (13 December 2008—see Quinlan 2012). The Lisbon Treaty was finally approved in October 2009, after some adaptations made it acceptable to member states.

While support for European integration was decreasing in some areas in the West, it remained relatively high (at least initially) in Southern Europe and in CEE countries. But even in CEE, where prior to accession support was above 75 per cent, it has considerably decreased over time. There are several reasons for this. Joining the EU was only possible after completing a series of difficult, even painful economic and social reforms (see Box 9.2). Some have enjoyed the advantages of EU integration, but many others have felt like 'second class citizens'. The accession negotiations also caused dissatisfaction and led to the emergence of eurosceptic parties. In 2001, the highest level of support for integration was in Romania (83 per cent) followed by Bulgaria (80 per cent), both of whom were still candidate countries, while in Estonia, three years before accession, support had decreased to 38 per cent from the 79 per cent reported in 1993. The same downward trends were observed in Poland (from 80 per cent in 1993 to 54 per cent in 2001) and in the Czech Republic (from 84 per cent to 54 per cent).

Attitudes towards the EU among its citizens can fluctuate, often in relatively short spans of time (see Table 4.2). Debomy (2016) identified five periods since 1985, a

TABLE 4.2 Attitudes towards the EU in the member states

	1999	2009	*2012**	2019
Ireland (IE)	78	69	*58*	81
Luxembourg (LU)	77	79	*81*	81
Netherlands (NL)	73	72	*72*	79
Denmark (DK)	51	65	*66*	77
Germany (DE)	44	61	*69*	76
Portugal (PT)	59	50	*36*	72
Sweden (SE)	34	54	*61*	72
Estonia (EE)	—	59	*52*	70
Finland (FI)	45	52	*50*	69
Spain (ES)	55	71	*53*	67
Belgium (BE)	47	66	*67*	67
Hungary (HU)	—	32	*30*	66
Lithuania (LT)	—	57	*51*	64
Poland (PL)	—	60	*50*	63
Latvia (LV)	—	25	*32*	59
EU Average	49	57	*50*	59
France (FR)	47	50	*57*	58
Malta (MT)	—	57	*51*	56
Slovenia (SI)	—	48	*43*	56
Romania (RO)	—	66	*62*	55
Bulgaria (BG)	—	51	*58*	53
Cyprus (CY)	—	47	*35*	53
Austria (AT)	36	41	*32*	49
Greece (EL)	54	45	*46*	47
Croatia (HR)	—	—	—	46
Slovakia (SK)	—	66	*43*	46
UK (UK)	31	28	*34*	42
Czech Rep. (CZ)	—	42	*24*	37
Italy (IT)	62	48	*40*	37

Notes:
Question: 'Generally speaking, do you think that [name of country]'s membership of the EU is a . . . Good thing / Bad thing / Neither good nor bad / Don't know'.
*2012 is included as a data point at the height of the Eurozone crisis.
Source: © European Union, Eurobarometer 51 (1999), 71.3 (2009), 77.4 (2012), 92.2 (2019), accessed through the Gesis database.

period of 'Eurofavour'—occurring alongside renewed efforts to complete the single market—was replaced by a period of declining support beginning in 1991 (when 71 per cent of EU citizens reported that their country's membership of the EU was 'a good thing') and running to 1997 (when the same metric reported just 46 per cent). This period coincided with the political difficulties surrounding the Maastricht Treaty and the EU's inability to respond coherently to conflict in the Balkans. The period 1997–2007 was one of 'ups and downs' although—by the end of that period—58 per cent of EU citizens evaluated their country's membership as a 'good thing' (lower than the peak recorded in 1991 but a marked improvement on 1997). The period 2007–12 was once again characterized by declining support (hitting a low of 47 per cent in May 2011) in the context of the global financial and Eurozone crises. This was followed by a steady climb, with the 'membership is a good thing' measure hovering around 60 per cent from 2018–20 (see European Parliament 2019a: 11). The most recent (at the time of writing) measure was 65 per cent, recorded in summer 2020 (Eurobarometer 94.2).

The EU-wide average figure masks national differences, of course (Table 4.2). Some swings in national opinion can be correlated with significant political events. For example, declining support in Greece, and declining (then rising) support in Ireland, Portugal, and Spain can be largely attributed to the Eurozone crisis and the impact of subsequent EU policy decisions on those countries. Public attitudes in Italy have been trending consistently—and sharply—downwards for several decades. Interestingly, there are countries where eurosceptic parties are electorally successful, form governments, and bring such agendas to the European Council and Council (of ministers) and yet their populations broadly see EU membership as 'good'—for example Hungary and Poland (see section 6.4). This is a reminder that the interaction between public attitudes, on the one hand, and political leaders and parties, on the other, is complex and that eurosceptic sentiment among the people often has to be activated and mobilized by political leaders. Similarly, populations that are broadly supportive of EU membership can elect governments that challenge the EU's values and seek to halt further integration.

The post-Maastricht era—and the end of the 'permissive consensus'—pushed scholars to reconsider the theoretical lenses through which they analysed EU integration. As Hooghe and Marks (2009: 5) have argued, in the current state of EU integration 'national leaders must look over their shoulder when negotiating European issues'. Against this backdrop, postfunctionalism—a new theory of EU integration that emerged in 2008—contends that domestic politics constrain governments and their preferences. It cannot now be taken for granted that elites are still able to shape European integration in complete isolation from domestic politics (Rauh 2021); political actors need to consider a wider context of increased politicization, the polarization of views, and rising euroscepticizm (see Box 4.3).

BOX 4.3 Spotlight on: Euroscepticism—what's in a label?

Scholars proposed several typologies to shed light on the attitudes towards the EU of citizens, political parties, and member states' governments. Taggart (1998: 366) was among the first to define euroscepticism as 'the idea of contingent or qualified opposition' to the process of European integration (1998: 366), distinguishing between hard—a 'principled opposition to the EU and the European integration'—and soft forms of euroscepticism—no principled objection to membership, but rather a defence of national interests and values. Following David Easton's initial distinction between diffuse and specific support for integration, other typologies have been proposed that distinguish between 'diffuse support' (based on ideology and values), and 'specific support' (based on rational cost-benefit calculations and utilitarian arguments) (Kopecký and Mudde 2002). On the diffuse support dimension, Kopecký and Mudde (2002) distinguish between *europhiles* (who believe in the key ideas of European integration supranational institutions and a liberal market economy), and *europhobes* (who do not support the general idea of EU integration). Regarding the specific support dimension, there are *EU optimists* (who believe in the EU as it is and as it is developing) and *EU pessimists* (who do not support the EU as it is and are pessimistic about the direction of its development) (Kopecký and Mudde, 2002). (On the drivers of euroscepticism, see Box 6.6).

Contrary to LI, which emphasizes economic interests, postfunctionalism 'conceives European integration as a conflictual process arising from incompatible belief systems' (Hooghe and Marks 2019: 1117). Issues related to values and identity do not only determine attitudes towards EU integration, they are also at the core of the bargaining of treaties themselves, with religion remaining at the centre of many important political debates in the EU (Foret 2015). In the early 2000s, for example, during the drafting of the Constitutional Treaty for Europe, several social and political actors argued in favour of including a reference to Europe's Christian heritage as well as one to god. The governments of Italy, Spain, Poland, Slovakia, Malta, Austria, the Netherlands, Portugal, and Ireland were in favour of these references to Christianity (*EUObserver* 2003), while the French government was fiercely opposed to any religious interference in the Constitutional Treaty. The Treaty of Lisbon does not contain any such provisions.

4.2.3 Visions for EU integration

Whether rooted in political economy (LI) or in belief systems (postfunctionalism), preferences determine visions for Europe. From its inception to today's Union, some have envisioned the creation of a European federation, while others have sought a more intergovernmental union, a Europe of states. While federalists are in favour of the development of a political project beyond the state, proponents of intergovernmental cooperation prefer a confederation of sovereign states. In some sense, it is easier to discuss what the EU is *not* rather than what it is. The EU shares some of the characteristics of a federation—defined as an institutional arrangement in which '(a) public authority is divided between state governments and a central government, (b) each level of government has some issues on which it makes final decisions, and (c) a high federal court adjudicates disputes concerning federalism' (Kelemen 2003: 185). However, the EU's own member states have remained the formal source and signatories of European treaties, standing thus as the final authority.

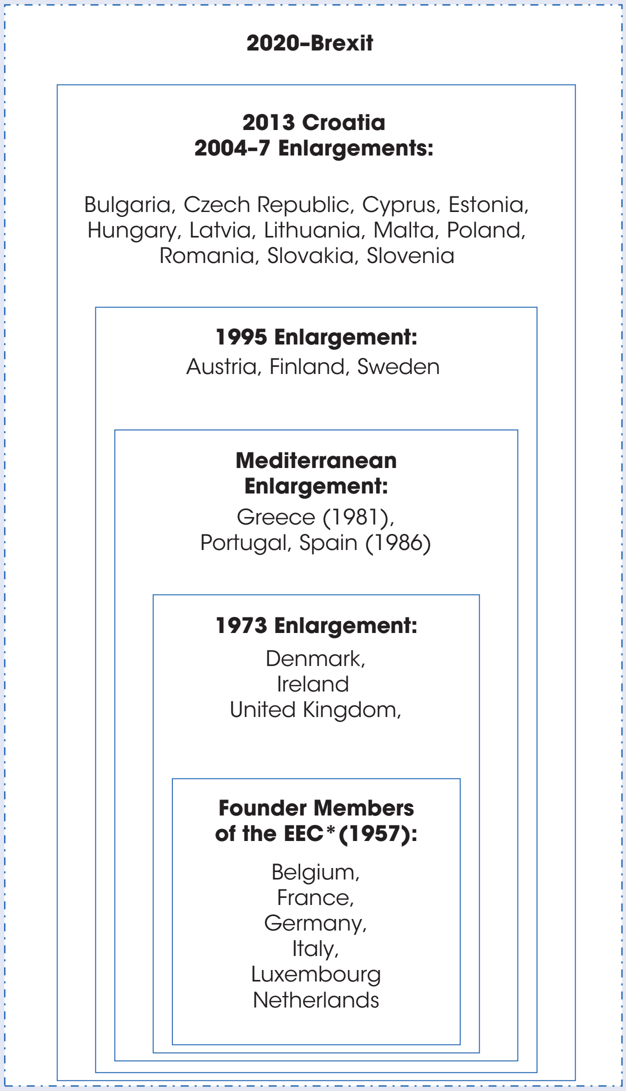
The opposition between these two visions for Europe still dominates current debates. As the Prime Minister of the Netherlands, Mark Rutte declared, the 'ever closer union' principle behind the EU's integration process is 'buried and gone' (*Euractiv* 2017). While, in the midst of the Eurozone crisis, Angela Merkel proposed a federalist leap to create a political union (*Euractiv* 2012), the ideal of a 'Europe of nations' was proclaimed by several members of the European Conservative and Reformists political group in the EP, in their Prague Declaration in 2013, in which they insisted on the importance of 'the sovereign integrity of the nation state'.

The EU has always oscillated between 'more Europe' (federation) and 'less Europe' (cooperation). Moving forward together at the same speed has therefore never been easy, particularly as the political endpoint of the European project has remained an open question. In the 1970s, the German Chancellor Willy Brandt proposed a graduation in integration, including monetary issues; the 1975 report by Belgian Prime Minister Leo Tindemans highlighted that member states should not all complete the integration steps simultaneously (Patel 2020: 45).

Since the early 1990s, *flexibility* has been invoked more often as a new mechanism of integration itself. In 1994, for example, German Christian Democratic politicians proposed a model of deeper integration called *Kerneuropa* ('core Europe') bringing together France, Germany, and the Benelux countries. However, the proposal of a 'multi-speed Europe', or 'variable geometry', was not well received, as it excluded other countries—in particular Italy, a founding member state. In the same vein, the French Prime Minister Balladur proposed 'a Europe of concentric circles', a model of a polycentric EU in which some member states would be part of the inner circle in some policy areas and part of other circles in others. In the UK, Prime Minister John Major was also in favour of this 'pick and choose' or 'Europe *à la carte*' (Wiener 2003). Some 70 years after the establishment of the first European Community—itself founded as a six-member vanguard dissatisfied with the level of ambition in the then 14-member Council of Europe—moving forward together is obviously more challenging in an EU of 27 than in one with only six member states (Figure 4.2).

In part to accommodate the diversity of visions and preferences, the Treaty of Amsterdam institutionalized the possibility of **enhanced cooperation**, allowing a group of states to move ahead in the integration process, leaving it open for others to join at a later stage (see Box 5.6). However, **differentiated integration** was already a key feature of the EU before the Treaty of Amsterdam (see Schimmelfennig and Winzen 2019). It can be contrasted with the idea that all EU

Figure 4.2 Chronology of enlargement (and contraction)



* These six member states were also the founder members of the European Coal and Steel Community, established in 1952.

member states—and no outsiders—proceed with integration in a uniform way, in the same policy areas and at the same time. The Schengen area and the Eurozone are key illustrations of differentiated integration—the Eurozone contains 19 EU member states, while the Schengen area contains 22 EU member states alongside four non-EU member states.

It is the very aspects of member state diversity highlighted in this chapter that makes differentiation an increasingly talked about model of integration. It is difficult to secure unanimity among 27 states that vary so much in terms of their size, wealth, and economic structure (as liberal and new intergovernmentalists emphasize), and underlying preferences about political integration and the strength of national identity vs. European identity (as postfunctionalists emphasize)—not to mention the vagaries of political ideology that can colour member state governments in different ways at different points in time. Differences in *both* wealth/economic power *and* identity have been found to drive national preferences for differentiation (Winzen 2016; Winzen and Schimmelfennig 2016).

The size of the group of member states pursuing differentiation is important, with bigger groups generally having more negotiating clout. So is the extent to which the proposed differentiation will create difficulties—political or policy-based—for states that do not participate (the fewer the difficulties, the more likely non-participating states will allow it). Member states that seek to further the process of European integration can find themselves struggling to secure the support of those more eurosceptic states, especially in a situation where unanimity is required to start a new differentiated project. In such situations, the member states who wish to move ahead can either grant formal opt-outs to the reluctant ones (e.g. the opt-outs granted on EMU to Denmark and the UK in the Maastricht Treaty), or they can agree separate treaties outside of the EU framework, thus sidelining the reluctant states (e.g. the original Schengen agreement and, more recently, the Fiscal Compact on economic governance—see section 7.5). Differentiation is also constrained by the formal institutional rules of the EU, which involve majority, sometimes unanimous, voting, and by the culture of European integration, which is one of uniformity by default, not differentiation.

The UK's withdrawal from the EU ('Brexit'—see section 10.2) has raised new questions and avenues for research about the relationship of third-party countries to the EU's institutions and policies, and the potential for new developments in differentiated integration and even *dis*-integration (see Gänzle et al. 2020).

4.3 Decision-making: How Do Member States Shape Integration?

The ways in which member states shape decisions at EU level vary according to methods of decision-taking. The *supranational method* (notably the OLP—see Figure 5.1) is the decision-making procedure through which the EU produces legally binding decisions (regulations, directives, or decisions). Decisions are formally adopted by QMV in the Council in 80 per cent of cases (see Box 3.3). In practice, however, 90 per cent of decisions are adopted by consensus, meaning that formal voting is avoided. However, as Novak (2013) showed, consensus often conceals strong tensions. Tangible political disagreements can be hidden by the so-called consensus, as member states' representatives in the Council, for various reasons, choose not to record their dissent officially by abstaining or formally voting against the proposal (Mattila 2008: 27).

The *intergovernmental method* gives a prominent role to member states both in the process of policy initiation (often called 'agenda-setting') and the adoption of a decision. Intergovernmental decision-making prevails in policy areas that represent 'core state powers' (Genschel and Jachtenfuchs 2018) such as foreign policy, and economic, fiscal, financial, and budgetary policies. It also applies to the revision of treaties, the sanctioning of a serious and persistent breach of the EU's values (Article 7 TEU), enhanced cooperation, or the enlargement/withdrawal procedures. Thus, unanimity is still maintained in a series of very sensitive policy areas such as social security and social protection, EU membership, or citizenship. However, while the decision-taking is intergovernmental, the policy output can be supranational in that common binding legislation is enforced through the EU legal system and the CJEU.

The third mode of decision-making—*policy coordination*—is best illustrated by the European Semester, designed in 2011/12 in the fast-burning phase of the Eurozone crisis as a cycle of economic, fiscal, and budgetary policy coordination. Its aim is to create a scheduled framework allowing member states to align their policies with the objectives and rules agreed upon at the EU level. In this way, member states coordinate their structural reforms with their fiscal and budgetary policies (which have traditionally remained in the hands of national governments), in order to ensure the sustainability of public finances in line with the Stability and Growth Pact (SGP), and the prevention of excessive macro-economic imbalances. While the Commission plays a central role in overseeing this process, its recommendations to member states are ultimately approved by the Council and endorsed by the European Council.

4.3.1 Coalitions and cleavages of member states

Coalitions among member states are not fixed. In both the Council (of ministers) and in the European Council, they shift from issue to issue, depending on the size of the country, geographical position, ideological preference, or length of membership.

Historically, Germany and France have shaped much of the integration process (the Franco-German relationship—see Box 4.4). For many years, the power of the two largest member states, France and Germany, rested on a 'fine balance' between the political prestige of France after World War II and the growing economic power of West Germany since the 1970s (Cole 2001: 13). In recent years however, in particular in the context of the Eurozone crisis, many have seen a hegemonic role for Germany and an asymmetry of power between Germany and France (Schild 2020: 1072). In fact, the Franco-German relationship is important for another reason: they often start with divergent views on different subjects: for example, France tends to be more protectionist, less aligned with the US, and more intergovernmental in its vision of the EU, while Germany tends to be more in favour of free trade, more aligned with the US, and more federal in its vision for the EU. Frequently, when one

BOX 4.4 Spotlight on: The Franco-German relationship

The **Franco-German duo** has been at the heart of the integration process. As stated in 1963 by Konrad Adenauer when signing the Franco-German Treaty of Friendship (the Elysée Treaty): 'there would be no Europe if this genuine reconciliation between France and Germany had not occurred'. The treaty, signed by the French President Charles de Gaulle and German Chancellor Konrad Adenauer, called for closer cooperation between the two countries. Because of their size, economic power, and their historical political rapprochement after World War II, France and West Germany became the key drivers of the integration process. In 1978, Chancellor Helmut Schmidt and President Valéry Giscard d'Estaing established a plan for a European monetary fund to maintain monetary stability. President François Mitterrand and Chancellor Helmut Kohl both supported the adoption of the Maastricht Treaty, which marked a new step in the integration process.

In recent years however, the relationship between German Chancellor Angela Merkel (2005–21) and successive French presidents—Nicolas Sarkozy (2007–12), François Hollande (2012–17), and Emmanuel Macron (2017–)—has been marked both by moments of intense cooperation and by profound dissensus. Angela Merkel and Nicolas Sarkozy stood together in the Eurozone crisis, supporting the creation of the European Financial Stability Facility and the Competitiveness Pact (Rozenberg 2013: 61; Crespy and Schmidt 2014). The dominant position of France and Germany in the management of the crisis was labelled the 'Merkozy duumvirate' (Schoeller 2018: 1), as meetings between the French president and the German chancellor preceded most of the important EU summits (Coman 2018: 8). However, their efforts did not hide the divergences between France and Germany as far as the solutions to save the euro were concerned (Bulmer 2014: 1259). While Sarkozy appeared as a 'white knight riding to the rescue of Greece', Merkel was seen as the new 'Iron Lady' (Schmidt 2020: 127), insisting on strict rules and compliance to secure the stability of the Eurozone. When Germany promoted the strengthening of the SGP and structural reforms, France joined Southern European countries that were being painfully impacted by these reforms. In recent years, the divergent positions of France and Germany have been publicly voiced more often (Rozenberg 2013: 61), although on existential issues, such as the COVID-19 pandemic recovery fund, Merkel and Macron acted together to convince EU leaders to support an ambitious EU response to an unprecedented global health crisis (see section 10.3.1).

of the pair has had a centre-left government, the other has had a centre-right one. Yet they both typically remain committed to finding workable compromises—and such compromises are usually a good starting point for the rest of the EU.

Besides economic and political power, size (in terms of population) matters—it determines representation in EU institutions, for example the number of members of the EP or the weight in the Council to reach QMV (Table 4.3). After the EU's 2004–7 enlargements (taking in ten CEE states plus Cyprus and Malta) the number

TABLE 4.3 Clusters of member states by population size (2020)

Large	Medium	Small	Very small
Germany (83)	Romania (19.4)	Denmark (5.8)	Cyprus (0.9)
France (67)	Netherlands (17.3)	Finland (5.5)	Luxembourg (0.6)
Italy (60.4)	Greece (11.7)	Slovakia (5.5)	Malta (0.5)
Spain (47.9)	Belgium (11.5)	Ireland (4.9)	
Poland (37.9)	Czech Rep. (10.6)	Croatia (4.1)	
	Portugal (10.3)	Lithuania (2.7)	
	Sweden (10.2)	Slovenia (2.1)	
	Hungary (9.7)	Latvia (1.9)	
	Austria (8.9)	Estonia (1.3)	
	Bulgaria (7)		

Note: Figures in brackets are approximate populations in millions.
Source: Eurostat, © European Union.

of small states increased, bringing challenges: on the one hand, small member states feared that the most populated ones would dominate the decision-making process; on the other, the larger member states were concerned that their power would be reduced. The size of the country, however, does not automatically determine the patterns of coalitions in either the Council or the European Council, with the exception of issues related to institutional or quasi-constitutional matters discussed during the revision of the treaties. The size of the Commission is one example. The Treaty of Lisbon stipulated that the number of commissioners should represent two-thirds of member states, unless the European Council decided otherwise (which it subsequently did—see section 3.2.2). Small member states (but not only them) have always been keen to be represented equally in the college, although commissioners do not represent national interests. Because of potential divisions, the European Council in 2009 decided that the number of commissioners would remain equivalent to the number of member states, a decision that satisfied small member states, as well as others.

Some coalitions are based on geographical lines. Certain member states tend to vote together. Often, countries that are in close geographic proximity share similar interests and objectives, such as the Mediterranean states that initiated the Euro–Med Barcelona Process in 1995—a result of the Spanish rotating presidency of the Council. The Barcelona Process involved EU member states trying to establish more coherent relations with states close to the EU's external borders, in North Africa and the Middle East—a process that eventually saw the establishment of the 'Union for the Mediterranean'. Another example is the Danube Strategy, which was promoted by all the countries this river runs through and is an example of macro-regional cooperation within the EU. Such strategies—and the networks and partnerships that underpin them—are a reminder that the EU is evolving as a complex system of multi-level governance (see Sielker 2016; Gänzle 2017).

Northern member states are more likely to vote together than with Southern member states and vice versa (Mattila 2008). Finland and Italy are therefore often in opposite coalitions, while Italy and Greece tend to vote alike. In 74 per cent of cases, when Denmark decided to vote 'no' or to abstain from voting, Sweden also challenged the same proposal (Mattila 2008: 32). Similarly, when Sweden contested a proposal, Denmark followed suit. Portugal is often a coalition-builder among the Southern member states, in particular with Italy and Spain. Greece often joins forces with both Italy and Portugal (Mattila 2008). The Benelux countries (see Box 4.7) also tend to vote similarly, and are more economically integrated among themselves than with other member states.

While there are geographical patterns, geography *alone* leaves much to be explained. What brings these member states together is rather a shared political culture and similar preferences and interests. Depending on the issue at stake, ***right/left-wing political cleavages*** explain more than geography alone. The left/right cleavage plays a key role in debates about the market. While some countries are more protectionist, others are more prone to liberalization. It has been argued that the UK's accession in the 1970s greatly shaped the liberalization trend in EU integration, despite the reluctance of France and Southern member states. This trend was strengthened by the Eastern Enlargement, as several new member states such as the Czech Republic, Poland, and Slovakia—under centre-right governments—became strong supporters of economic liberalization (Copsey and Haughton 2009; Lequesne 2014: 269). As a promoter of free trade within the EU, Sweden has positioned itself several times against protectionism and subsidies that are often supported by France, Southern European, and CEE member states. At the same time, Sweden shares with other Nordic countries (see Box 4.7) a belief in a comprehensive welfare system and sustainable development (Michalski 2013: 182).

While national elections can change the policy stances of member states, national models of capitalism and economy often transcend oscillations between centre-left and centre-right governments (see Johnston and Regan 2018). Those structures are important in shaping how member states approach European integration, and asymmetries of power between groups of member states with different types of economy are crucial in determining many EU policies. For example, Germany, along with several smaller Northwestern member states, has an export-led-growth model grounded in a strong manufacturing base. Ireland and the Visegrad countries (see Box 4.7) also have export-driven economies, albeit they rely more on foreign direct investment than home-grown firms (Bohle 2018). Other member states, however, possess economic models oriented towards domestic consumption and non-tradable services. When member states with fundamentally different types of capitalist economies make policy *collectively*, questions arise as to which 'type' of economy—and therefore which group of states—is being privileged in that process. Many of the policies developed in response to the Eurozone crisis, for example, were grounded in economic ideas more aligned with the German model, which caused economic pain in other states and raised questions about democracy and legitimacy in the EU (Kriesi 2018).

The accession of 13 member states since 2004 at first only slightly altered coalition patterns in the Council, as the 'not so new anymore' member states rarely vote *en bloc* (Zaun 2020: 1), but rather join existing coalitions. In recent years, however, Eastern European member states in general and the Visegrad group (V4) in particular (see Box 4.7) have become more assertive in blocking decisions in sensitive policy areas (see Box 4.5). This also shows how important belief systems are (as emphasized by postfunctionalists) in understanding member states' positions in EU decision-making, in particular in issues related to migration.

BOX 4.5 How it really works: New vs. old and the East-West divide

Since 2011, the arrival of refugees in Italy and Greece has placed a strain on European solidarity. In April 2014, on the eve of the European elections, during his campaign for the presidency of the European Commission, Jean-Claude Juncker presented an immigration plan aimed at creating the conditions to strengthen solidarity between states within the framework of the EU's migration policy. After his election, Juncker called for 'the establishment of a quota system', a proposal that was then presented to the European Council later the same year. Juncker insisted on the responsibility of Europe 'as the richest continent on the planet', which 'must ensure that people who, driven by necessity, pile up in ships to reach our shores no longer drown before them'. At the heart of this project was a relocation mechanism that would assist Italy and Greece. The Commission stressed that 40,000 Syrian and Eritrean nationals should be relocated to other member states in the next few years on the basis of a distribution key, which would itself be based on objective criteria such as the size of the country and its population, GDP, and unemployment rate. According to the United Nations High Commission for Refugees (UNHCR), in 2014, the total number of refugees numbered 13 million, the highest number since 1999. The EU had welcomed one million, representing 7.6 per cent of the world's total and around 0.2 per cent of the EU population.

The JHA Council adopted a decision to relocate 120,000 refugees on 22 September 2015 (EU Decision 2015/1601 of the Council) with 23 member states voting in favour, four against (Czech Republic, Romania, Hungary, and Slovakia), and one abstention (Finland). Three members of the V4 (which brings together Poland, Hungary, the Czech Republic, and Slovakia) opposed the decision. The V4 remain fiercely opposed to the Commission's updated migration plan presented by Ursula von der Leyen (*Euractiv* 2021).

4.3.2 The rotating presidency of the Council (of ministers)

Each member state holds the presidency of the Council for six months. In 2016, this order was established until 2030. For six months, the presidency contributes to the decision-making process in various roles, including acting as organizer, broker, and even leader (Schout and Vanhoonacker 2006; Quaglia and Moxon-Browne 2006: 349). Since Lisbon, groups of three successive presidencies—called the trio (Dagnis-Jensen and Nedergaard 2014)—together determine the priorities of the Council on a rolling 18-month basis.

For six months, the presidency acts as an agenda-setter, putting forward a set of priorities for its mandate. The role of the presidency is sometimes overestimated (see section 3.3.1). Presidencies have no powers in their own right—they must secure the necessary support in the Council. Six months is a short period of time, when considering that the political agenda is often challenged by unexpected events and crises (e.g. Eurozone crisis, the COVID-19 pandemic, etc.). In addition, each presidency inherits the legislative dossiers of the previous one, as these take months (years) to be adopted through the OLP. Priorities matter. Policy priorities give an indication as to the policies on which the country holding the Council presidency will seek to reach agreements with other member states and EU institutions. For example, the main aim of the German presidency at the end of 2020 was to see the (already scheduled) Multiannual Financial Framework and the (new idea for the) Next Generation EU budget agreed on by the 27 member states, in order to overcome the consequences of the COVID-19 pandemic without delay. Portugal took over in January 2021 with the aim to deliver 'a fair, green, and digital recovery' (the motto of their presidency). The priorities of each presidency also reflect a combination of national, regional, and European interests. For example, CEE countries have put forward the importance of cohesion, enlargement, or the European Neighbourhood Policy. France has historically sought to preserve an ambitious CAP~~;~~ while Nordic member states have promoted a greener European policy.

Each presidency is prepared at least two years in advance at the domestic and European level. It is a two-level game process (Coman 2020). Depending on the national traditions of consultations and modes of preference formation, each member state discusses its priorities upstream with national and European actors (in particular the members of the trio). France, for instance, will hold the rotating presidency in the first half of 2022. After his 2017 election, President Macron, in a speech at the Sorbonne, announced his ambitions for the EU, calling for a refoundation, 'a sovereign Europe, democratic, and united'. This was not only addressed to French voters. It was a wider message to EU citizens, recalling the Schuman Declaration and announcing a return to a time when France was—and could be again—a force of proposition. In March 2021, Macron's State Secretary for EU affairs, Clément Beaune, announced that preparations had started, with specific ambitions to strengthen the EU's sovereignty vis-à-vis third-party countries, against the backdrop of tensions with China, Russia, and even with the US. The narrative put forward by the French president was that the global health crisis had revealed the member states' vulnerability and dependence vis-à-vis non-EU countries. In his view, an ambitious programme was required, tackling crucial issues such as digital sovereignty, food safety, and defence. France's ambition in this respect is two-fold: to strengthen the EU's *external* capacity to act, and boost overall European identity *within* the EU. While the ideas announced several years before the beginning of the presidency are ambitious, their means of implementation remain to be determined.

Besides ideals, each presidency has a role to play as an organizer. This means that for six months, the rotating presidency determines the meetings allowing the adoption/conclusion of ongoing legislative files among others. It also organizes and chairs all the meetings of the Council formations (with the exception of the Foreign Affairs Council, chaired by the high representative—see section 3.4). To this end, each EU member state devotes considerable human resources to the preparation of its presidency. For example, from January to June 2019, the Romanian presidency organized about 2,500 meetings and events, including more than 2,000 meetings of working groups, 64 Council ministerial meetings, 190 trilogues—three-way meetings between representatives of the Commission, Council, and EP (see Box 5.4)—91 meetings of Coreper I and II, plus a total of 300 events organized in Romania, as well as the Sibiu Summit on the 9 May 2019, which was an informal European Council focused on developing strategic plans for the future (Coman 2020—see Box 4.6).

BOX 4.6 How it really works: The 2019 Romanian presidency?

What makes a rotating presidency successful?[2] Scholars have argued that a presidency is effective if it manages to advance negotiation dossiers, to mediate preferences between national and European institutions, and to reach agreements on a number of important files (Benes and Karlas 2010: 69; Vilpisauskas 2014: 99).

As discussed elsewhere (Coman 2020), the first Romanian rotating presidency of the Council took place in the first half of 2019. Prior to 2019, observers at the EU and national levels feared that the Romanian Social Democratic government would be unable to successfully perform its missions. Domestic factors—such as euroscepticism, corruption, and attempts to limit the independence of the judiciary—cast a shadow on its already weak credibility. However, the Romanian rotating presidency managed to successfully fulfil its role. In 100 days, they managed to reach compromises and conclude 80 legislative acts. How?

Part of the success of a presidency relies on the work previously done by other presidencies and the support provided by the Secretariat General of the Council, in addition to the roles of civil servants and diplomats in both Brussels and the national capital. In this case, most of the work was accomplished by the Romanian Permanent Representation (PermRep) in Brussels, led by Ambassador Luminita Odobescu, who—at the end of the presidency—declared that 'the real driving force (. . .) was the strong determination coming from Romanian officials and experts to deliver' (Romanian EU Council Presidency, 7 October 2019).

[2] This section is based on the findings of my analysis of the first Romanian rotating presidency of the Council (see Coman 2020).

The rotating presidency should also allow the holder to act as a mediator, in which it plays a key role in facilitating agreements. Effective leadership increases the chances of identifying efficient bargaining outcomes in the Council and drawing negotiations to a close quickly (Warntjen 2013: 1244).

4.3.3 The increasing role of the European Council in EU decision-making

The post-Maastricht era has brought not only increased contestation, as illustrated by postfunctionalism. Other trends have been observed at the institutional level, for example in the interactions between and within institutions. Contrary to LI, which explains why member states share or pool sovereignty, the theory of new intergovernmentalism argues that member states have become extremely reluctant to allow any further delegation of power from the domestic to the supranational level (Puetter 2014). Integration is pursued, but 'without supranationalization' (Bickerton et al. 2015b). In addition—and again contrary to LI, which focuses on bargains among member states to shape integration—new intergovernmentalists argue that consensus-seeking and deliberation have become the norm in day-to-day decision-making (Hodson 2021: 86). Recent crises—from the Eurozone crisis to the migration crisis—have shown that most solutions have emerged through intergovernmental deliberations in the Council and in the European Council (Puetter 2014), which is different from bargaining in the sense that the leaders seek to accommodate their differences through argumentation (~~Coman 2018;~~ Schmidt 2020). For example, in the context of the Eurozone crisis, the search for solutions to save the euro was marked by tensions between Southern and Northern European member states. While Germany, supported by Northern member states, argued in favour of austerity and structural reforms (Bull 2018), France and Southern European member states argued in favour of increased economic and budgetary flexibility (Coman 2018). Demands for austerity thus characterized the initial, fast-burning phase of the crisis, after which more flexibility was permitted once it became clear that austerity was not succeeding in creating its intended economic policy outcomes. The shift from the former to the latter strategy was the result of increased deliberation. Deliberation is understood as member states' attempts to accommodate national differences in the European Council and in the Council, as well as in the wide range of working groups in which national policies are coordinated since the Eurozone crisis.

Because of the increased heterogeneity of national preferences—resulting from their different economic interests or preferences based on identity—member states resort more often to the European Council. Decisions are taken by the leaders in the European Council rather than by the ministers in the Council. The more prominent role of the European Council has an impact on its relations with other EU institutions. As new intergovernmentalism puts it, in the decade of crises, the European Council has become the centre of gravity of EU decision-making, instructing both the European Commission and the Council (Bickerton et al. 2015b). As a result—and as new intergovernmentalism highlights—the European Council takes decisions that would traditionally fall within the ambit of the Council (of ministers) (Puetter 2014; Fabbrini 2015). As a reminder, the European Council started to meet informally in the late 1960s, with the aim of giving greater impetus to EU integration and of intervening when divisions were preventing the members of the Council from reaching agreements (see section 3.5). The European Council is therefore the forum where 'history-making' decisions are made. Since the beginning of the Eurozone crisis, the number of European Council meetings has increased. Some of them deal with key sensitive issues (often called 'high politics'). However, many 'low politics' issues have now become high politics concerns, due to the increased heterogeneity among member states, resulting either from economic preferences or belief systems.

A decade of EU crises has also made more visible this new role of the European Council, a role that has been further strengthened by the crises triggered by the COVID-19 pandemic. While the Eurozone crisis has dramatically impacted the peoples of Europe, the COVID-19 pandemic has put all individual national economies under considerably more strain. In 2020, at the beginning of the health crisis, when lockdowns were declared, borders were closed, and much economic activity was brought to a standstill, it clearly appeared that the recovery would depend on the capacity of each member state to deal with its social and economic consequences. After years of both austerity and structural reforms to douse the flames of the Eurozone crisis, it appeared that not all member states were able to increase their levels of debt to overcome the economic effects of the pandemic.

The EU's initial reaction was slow, in particular when affected countries needed a helping hand. In search of a solution, various manifestos, declarations, and petitions were published all over Europe, demanding an ambitious response such as the mutualization of debt. On 25 March 2020, nine Eurozone countries (Belgium, France, Italy, Luxembourg, Spain, Portugal, Greece, Slovenia, and Ireland) sent a letter to the President of the European Council, Charles Michel, asking for a common debt instrument (often referred to as 'Corona-bonds') to mitigate the damage caused by the COVID-19 pandemic (~~*Euractiv*~~ 2020). These countries together argued that a step in this direction would be a sign of a strong political union in which member states not only supported, but also trusted each other. Germany, the Netherlands, and Finland were, however, opposed to debt mutualization. Long before the beginning of the pandemic therefore, when member states were debating the 2021–7 Multiannual Financial Framework, Austria, Denmark, Sweden, and Denmark (dubbed the 'frugal four') advocated for a more 'responsible' EU budget, meaning its reduction. While Germany was initially reluctant to mutualize debts, it soon became one of the supporters of an ambitious recovery plan. An agreement had to be reached at the European Council in July 2020. It took four days and four nights to convince the 'frugal four' to support this historic decision—that is, to mandate the Commission to borrow €750 billion on the capital markets—as a sign of political unity and solidarity (see Figure 10.2).

BOX 4.7 Spotlight on: EU member state groupings and coalitions

Benelux: In 1944, Belgium, the Netherlands, and Luxembourg signed a cooperation agreement to establish the Benelux Customs Union. Their intergovernmental cooperation has evolved over time and has been extended to include many areas of activity, such as economic policy, sustainability, security, and culture, among many others.

The V4 was established after the collapse of communism in 1991, when the leaders of Hungary, Poland, Czechia, and Slovakia (after the disintegration of Czechoslovakia) sought to increase their cooperation, to promote stability in the region and to defend their interests in an enlarged EU. The four countries cooperate in a number of fields such as education, culture, and exchange information on other issues of interest. Their cooperation is not institutionalized and the four countries are often divided on important issues.

The **Baltic Assembly** was established in 1991 and brings together Lithuania, Latvia, and Estonia, which cooperate in many areas including security and foreign affairs, education, science and culture, and economic and social affairs. Their cooperation began in the 1980s, before the dissolution of the Soviet Union, to define together a common Baltic position in an attempt to regain their self-determination. Since the 1990s, their cooperation has been institutionalized, and decisions are taken by the Baltic Assembly, which is composed of 20 representatives per member state.

The Nordic Council is an interparliamentary cooperation established in 1952, including 87 representatives from Denmark, Finland, Iceland, Norway, Sweden, the Faeroe Islands, Greenland, and Aland. The Secretariat General is based in Copenhagen. The work of the Nordic Council is prepared by committees and political groups. It cooperates with the Baltic States and other states from the former Soviet Union.

Other informal forms of **diffused/issue-driven alliances** exist such as: **the Friends of Cohesion** (Bulgaria, Croatia, Czech Republic, Cyprus, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Portugal, Malta, Romania, Slovakia, Slovenia, and Spain), which brings together member states supporting a more ambitious EU budget to support regional development and cohesion policy; on the other hand the so called '**frugals**'—that is the governments of Austria, Denmark, the Netherlands, and Sweden—have argued in favour of a reduction of the EU's budget over the past decade. The four countries are among the member states with high levels of GDP.

Sources:
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https://www.baltasam.org
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4.4 Conclusion

This chapter has sought to shed light on why and how EU member states engage with European integration. To this end, the first part focused on two key theories in EU studies (see section 1.2)—liberal intergovernmentalist and postfunctionalism—which, through different lenses, attempt to explain the development of the EU and the driving forces behind it. LI emphasizes the centrality of economic preferences, wealth and power, and postfunctionalism shows how important it is to consider belief systems and the support or contestation of the process of integration. Both LI and postfunctionalism provide arguments explaining differentiated integration, which is already institutionalized and takes different forms in the EU today. The chapter then examined how member states shape integration. Looking at how the Council works and votes, it provided some examples of coalitions among member states and illustrated the roles that each member state must perform during the six-month rotating presidency of the Council (of ministers). Finally, the chapter focused on the growing role of the European Council, showing its centrality in the current stage of EU integration, especially when it comes to new issues not previously subject to EU competence, a point explored by new intergovernmentalism.

DISCUSSION QUESTIONS

1. What are the differences and similarities between liberal intergovernmentalist, postfunctionalist, and new intergovernmentalist accounts of member states interaction with the EU?
2. Is differentiated integration a solution to a problem, or a problem in itself?
3. What are the patterns of coalition formation in the Council and how have they changed over time?
4. How can EU member states shape the EU's development during their time holding the rotating presidency of the Council?
5. How can we explain the growing role of the European Council in EU decision-making?

FURTHER READINGS

Students interested in furthering their understanding of preference formation in EU member states will find well-elaborated theoretical discussions in Moravcsik (1998) and Schmidt (2006). Bickerton (2012) sheds light on the transformation of nation states into EU member states. Considering that the historical evolution of the continent is key to understanding the European project, students might also find it useful to read the analyses by Judt (2005) and Zielonka (2006). The following books offer theoretical discussion of the new roles of the Council and the European Council: Bickerton et al. (2015b) and Fabbrini (2015). Similarly, when looking to better understand attitudes towards EU integration, Brack and Costa (2014) offer both theoretical explanations and empirical studies. Finally, students can find several case studies in Bulmer and Lequesne (2020).

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WEB LINKS

https://europa.eu/european-union/about-eu/countries

This is the best place within the EU's website to find information on the member states.

https://www.consilium.europa.eu

The website of the Council and the European Council.

Access the online resources to take your learning and understanding further, including self-test questions with instant feedback, web links, a flashcard glossary, and updates on new developments in EU politics.

www.oup.com/he/kenealy6e