

PATH DEPENDENCIES IN EUROPEAN INTEGRATION: A CONSTRUCTIVE RESPONSE TO GERMAN FOREIGN MINISTER JOSCHKA FISCHER

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There is no doubt about the political necessity of the Eastern enlargement of the European Union and corresponding reforms of its political institutions. By contrast, the shape and content of these reforms is a subject that is highly contested between the member states. In this context, when the German Foreign Minister, Joschka Fischer, presented his vision of future development for Europe his ideas were refreshingly welcome. However, Fischer's ideas imply, in many respects, a turning away from hitherto accepted paths to European integration. The main claim we want to make in this paper is that, against the backdrop of this breach with the present European-level institutional system, the chance that the Fischer initiatives could come to political fruition must be viewed with scepticism. On the basis of this finding, which rests essentially upon a historical-institutionalist analysis, we develop an alternative concept for a European constitution.

INTRODUCTION

In May 2000, the German Foreign Minister, Joschka Fischer, delivered a speech at the Humboldt University in Berlin, in which he presented his visions of future development for Europe. Fischer's speech was highly welcome, if for no other reason than the fact that, for quite some time now, no politician had dared to reflect so openly about what a united Europe should ultimately look like. As an important actor in an important member

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state, the German Foreign Minister's proposals have been taken highly seriously, by the public as well as by the scientific community (Joerges, Mény, and Weiler 2000). Notwithstanding the broad debate triggered by the Fischer initiative, it has been generally overlooked that his ideas imply, in many respects, a turning away from hitherto accepted paths to European integration.

It is not our first concern to evaluate the functional or normative appropriateness of Fischer's proposals, although it will become clear that they are at least ambiguous from the viewpoint of democratic legitimation. The main claim we want to make in this paper is that, against the backdrop of this breach with the present European institutional system, the chance that the Fischer initiative could come to political fruition, must be viewed with scepticism. On the basis of this finding, which rests essentially upon a historical-institutionalist analysis, we develop an alternative route towards a European constitution. Reinforcement and elaboration rather than rejection of existing institutional structures will be at the core of this alternative concept. This does not imply that, from a normative point of view, 'path jumping' is not desirable; it rather implies that, from a positive point of view, 'path jumping' is not likely.

FISCHER'S MODEL

Fischer presented his proposals as 'thoughts about the final form of European Integration' (Fischer 2000). At the same time, he sketched the lines of development through which this ultimate goal, 'a constitutional contract for the founding of a European Federation', should be attained. The initial premise upon which his reflections are based is full acceptance and completion of the eastern and south-eastern enlargement of the EU, something which would amount to an increase in the number of EU member states to between 27 and 30 within the next ten years. The political necessity for this enlargement rests on security and stability considerations.

These assumptions, in turn, imply a basic reform of European institutions, including: (a) a solution to the problem of insufficient democratic decision-making; (b) a restructuring of the horizontal distribution of power – the allocation of competences and authority among EU institutions; and (c) a restructuring of the vertical distribution of power – the allocation of competences and authority between European-level and national-level bodies.

According to Fischer, a European Parliament has to represent a Europe of nation-states as well as 'the People's Europe'. He proposes a bicameral system. The first chamber would consist of 'elected representatives, who are at the same time members of the national parliaments'; the second chamber would either represent the member states with elected senators, whereby each country would have the same number of senators, as in the US senate, or with government representatives, whereby votes were distributed among countries according to population size, as in the German *Bundesrat*.

To create a European government, Fischer sees two options. In accordance

with the first, the European Council could 'develop further into a government'. The alternative to this would be, 'based upon the present commission structure', the direct election of a president with broad executive powers. What Fischer probably intends here is an extended role of the President of the Commission, who then, similar to the President of the United States, would create a government, in effect, by appointing a new commission subject to the approval of the Parliament. Fischer believes that this kind of institutional system would overcome the EU's democracy deficit.

On the issue of sovereignty and distribution of power between European and national levels, Fischer believes that European-level authority should be restricted to 'key areas of sovereignty and only those where European regulation is absolutely necessary'. By 'key areas of sovereignty' he means such things as 'currency, and internal and external security'.

Fischer also proposes a concept of differentiated integration. In his view, further integration is impossible without the increased or intensified cooperation of some member states in some areas. Along the same lines as Delors, Schmidt and Giscard before him, Fischer is thinking about a group of countries that would, in effect, draw up a 'contract within a contract' for the purpose of achieving far-reaching, comprehensive institutional reform. Unlike Lamers and Schäuble (cf. CDU/CSU-Fraktion 1994), however, he does not mean an exclusive core of countries; rather, he suggests a 'gravitational centre', an 'open integration magnet for everyone'. Fischer's proposal corresponds to the concept of a Europe of the avant-garde (Club of Florence 1996), whereby he can indeed imagine a large group of core countries. Consequently, he sees his model not only as a constitution for the final state of the European political system, but also as a constitution for a subgroup of member states that are already prepared for comprehensive integration.

Although Fischer's proposals are very open, a closer look at the historical development of European institutions makes it clear that his view entails, in many respects, a turning away from those development paths followed up to now.

PREVIOUS AND PRESENT DEVELOPMENT OF EUROPEAN INSTITUTIONS

The development of the EU from its inception up to the present had various dimensions. First, there were a number of phases of enlargement; second, there were successive expansions of the Community's areas of activity; third, the institutional system was recurrently brought into line with the other developments. Individual steps in various dimensions of the development process did not always occur independently from one another; often they pushed and pulled each other, in line with the neo-functionalism spill-over hypothesis (Haas 1953; Lindberg and Scheingold 1970; Burley and Mattli 1993). Other steps in the development process had exogenous causes.

They came about as a result of events such as the political and economic transformation of Eastern Europe, or as a result of political decisions from some of the core member states. This type of development is usually focused upon by intergovernmentalist theories (Hoffmann 1966; Grieco 1995; Moravcsik 1993).

The development of the EU up to now can be summarized as a one-way, triple-path. From time to time there have been pauses in this development but never a turnabout in its designated direction. First of all, the Community has moved progressively from an intergovernmental to a supranational model. The new form the European polity is likely to take has been increasingly in the direction of a non-unitary federal system. Second, the decision-making system has developed increasingly away from one of intergovernmental bargaining to a political system with a democratically legitimized legislature. Third, on its path from intergovernmentalism to a federal system, the EU has moved towards a governmental system that relies on intermeshing of powers as typically observed in parliamentary democracies. A fourth development, which we can describe as flexible integration, has just begun to occur recently.

Our presentation of the history of European integration does not imply that the EU was designed to move towards a democratic, federal system of a parliamentary democracy type from the very beginning. Rather, it implies, that the historical development can be reconstructed this way. The reconstruction is somewhat stylized, of course. First, there is one development which runs counter to our reconstruction and which will be discussed below. Second, we are not concerned with all details of the integration process, but only with the constitutional and institutional developments. Third, we restrict our focus to the formal constitutional and institutional structures, hence excluding the 'living constitution' of the EU. The constitutional development of the EU is driven both by the intentional constitutional decisions taken at Intergovernmental Conferences (IGC), and by the informal arrangements between self-interested organs of the EU, their day-to-day business, and the interactions of societal and political actors (Kohler-Koch, 2000, p. 31). We restrict our analysis to the first factor, because Fischer's proposal itself is only concerned with the formal constitutional structure.

From intergovernmentalism to supranationality and federalism

The path from intergovernmentalism to supranationality has taken the form of successive transfers of sovereignty from member state to EU level. As is outlined below, the Union's areas of activity and responsibility have continually expanded; the intergovernmental principle in decision-making has gradually been reduced; and a number of federal elements have been introduced.

Expansion

In 1951, the European Coal and Steel Community (ECSC) was founded. The primary political purpose of the ECSC was to place German and French key war-economy industries under supranational control, so as to prevent another German–French war. With the founding of the European Atomic Energy Community (Euratom) and the European Economic Community (EEC) in 1957, European-level activities and responsibilities grew considerably. The EEC enabled European-level activity and responsibility to expand potentially over the whole European economy. Initially, the EEC concerned itself primarily with trade, competition and agricultural policy. The next expansion of common European policy came with the introduction of the European currency snake, transformed into the European Monetary System in 1978. Although neither of these earlier attempts to couple the currencies was successful, what they did spell was a decisive move in relinquishing an important area of national sovereignty. In 1985, the Commission presented its programme for the completion of the internal market; this generated a subsequent flurry of legislative activity. With the establishment of the structural fund, an instrument for redistribution was created for the very first time. The management and expenditure of financial resources in this field came largely under the control of a supranational actor, namely, the Commission. In 1987, the Single European Act (SEA) came into effect, introducing European Political Cooperation as the forerunner to a common European foreign policy. The SEA amended the Treaty of Rome significantly. It anchored a number of policy areas explicitly in that Treaty, in which the Community had already been partly involved – for instance, environmental policy and regional policy. Environmental policy measures became necessary because of the common market and transboundary pollution. Here, as well as in regional policy, the Commission and the European Parliament (EP) were important supranational actors who pushed to have the corresponding competences firmly anchored in the Treaty. In 1993, the Maastricht Treaty on the European Union (TEU) further augmented the common policy. The essential additions were the introduction of economic and monetary union, which was to be achieved in a series of steps, and the introduction of two intergovernmental pillars into the treaty framework, namely, the Common Foreign and Security Policy (CSFP), and Justice and Home Affairs (JHA). This policy was subsequently revised in the Treaty of Amsterdam (ToA), which took the JHA pillar partly out of the realm of purely intergovernmental dealings.

The continuous growth of common policies can be attributed to three factors. First, intersectoral spillovers demanded responses in policy areas that originally did not belong to the Community's field of activity. Secondly, additional fields were placed under the authority of the Community as a consequence of the political will of its member states. Thirdly, all of these processes were supported by the active politics and interest of the supranational actors. The transfer of sovereignty was achieved in small suc-

cessive steps. In new fields of activity transferred to the Community, decision-making at first went according to the old intergovernmental principle, the unanimous voice, without much influence from supranational actors. Gradually, however, decision-making in the new fields of activity was brought into line with currently valid procedures.

Decision-making

As a consequence of the Luxembourg Compromise, from 1966 up to the second half of the 1980s, unanimity, *de facto*, was the accepted principle of decision-making within the Council of Ministers. After the mid-1980s, this intergovernmental form of decision-making was progressively and systematically replaced by decision-making based upon majority rule. After the southern enlargement, in the 1980s, the increased number of member states gave cause to reconsider the arduous and lengthy decision-making procedures. Under the SEA, the rule of qualified majority in the Council was introduced for decision-making in matters of the internal market. Since the TEU, the rule of qualified majority has been extended to many additional areas of European legislation.

The TEU introduced two further changes that can be seen as steps on the way to a 'state'. First, European citizenship was introduced. Second, with the establishment of the Committee of the Regions, the sub-national level gained formal representation at EU level. The possibility of direct interaction between sub-national and supranational actors, circumventing the national level, is another indication that the EU is departing further from an intergovernmental system.

There is only one development which runs counter to the overall move towards supranationalism: the growing importance of the European Council after its institutionalization in 1974. The regular summits have strengthened the position of the national governments. The basic directions of the evolution of the EU, constitutional and institutional matters, as well as matters which cannot be resolved within the Council of Ministers, are now decided by the European Council. This undermined the position of the Commission with respect to policy initiative, as well as the position of the Council of Ministers, as all major issues now go through the European Council. Indirectly, the EP has lost power as well, as it can exert considerably less influence on the European Council than on the Council of Ministers. However, it was the Heads of Governments in the European Council and the IGC who paved the way for an ever-increasing role of the Parliament and of majority rule within the Council. Thus, on the level of day-to-day business, intergovernmentalism has been drastically reduced, even if it is still present at the level of constitutional and strategic decisions on the further evolution of the EU.

Federalism

From the perspective of the law, the three constitutional principles of federalism are present in the EU: "There is an allocation of powers, which as has

been the experience in most federal states has often not been respected; there is the principle of the law of the land, in the EU called Direct Effect; and there is the grand principle of supremacy every bit as egregious as that which is found in the American federal constitution itself.' (Weiler 2000, p. 2). What is missing, according to Weiler, is 'the existence of a "constitutional demos" ... in whose sovereignty ... the specific constitutional arrangement is rooted'. There is not one people, but the peoples of Europe. In Weiler's view, Europe's *Sonderweg* is marked by a combination of a 'federal' constitutional arrangement and a 'confederal' institutional arrangement, as the reality of Europe is characterized by intergovernmental decision-making. The assertion that there is no European demos is certainly true. However, as we argue in this paper, in day-to-day decision-making of the Union, intergovernmental bargaining has increasingly been complemented by supranational decision-making and by democratic procedures.

In political science two conditions are generally recognized as the mark of a true federal community: the citizens have a political identity on both levels, and the constituent states develop a common economic policy and/or common foreign policy at the federal level (McKay 1999, p. 16). While a common foreign policy is still at the infant stage, a common macroeconomic policy is something that will definitely be required by the EMU. The existence of a European citizenship means that there is now at least formally a political identity at the European level in addition to the national citizenships. Since some of the main characteristics of federalism are present, but only weakly, the current EU is not yet a federal state, but it is clearly moving towards a federal system.

From intergovernmental bargaining to democratic legislation

The gradual democratization of the Community appears, first and foremost, to be attributable to the political will of its member states and to the battle of the EP to gain greater influence. Parliament's forerunner, the Common Assembly, was composed initially of delegates from the national parliaments and had only an advisory function. In 1974, the direct vote of representatives to the EP was decided; the first such parliamentary election was held in 1979. Although this step did not bolster the real power of the EP, it did increase its legitimacy, and it gave its voice more weight among the general public.

Parliament used its increased legitimacy and voiced itself first in several influential initiative reports. To a certain extent, therefore, the direct vote prepared the ground for what was, at that time, still a weak form of participation in decision-making. With the SEA, the EPs participation in Council decision-making was firmly established. As a supplement to the previous consultation procedure the so-called cooperation procedure was introduced. This permitted Parliament and the Commission to engage formally

and actively in legislative decisions by the Council and it lent Parliament a suspensory veto.

The EP's engagement with the legislature was further strengthened in the TEU. Many matters were now subject to the new co-decision procedure in which Parliament and the Council have equal voice. Parliament was then given a real veto; for disputed cases, there is now a joint Mediation Committee consisting of members from both chambers. With the ToA, the areas of application of the co-decision procedure were again expanded, and the procedure itself was somewhat simplified.

Parliament's rights of control were also successively expanded. Its participation in budgetary procedures, its investigating committees, its right to petition, its power to raise a motion of no confidence, and its voice in appointing the Commission, gradually transformed the EP into a classic first chamber whose right of co-decision, however, is still limited since it has not yet been extended to all Community Acts.

On the way to a parliamentary democracy with intermeshing of powers

The European Community enlargements and the expansion of its areas of competence required institutional reforms. The increase in the number of member states has meant the necessity for more efficient decision-making procedures and, in recent times, for more flexible methods of integration. What stands out is the high degree of continuity and the gradual elaboration, strengthening and expansion of the institutions. This indicates a clear direction of development, namely, that the system is moving formally towards a bicameral arrangement with a popular and a federal chamber. Further, all indications point to a parliamentary-democracy type of system in which the powers are intermeshed and the executive body is accountable to the Parliament.

The 1951 ECSC Treaty created the nucleus for European institutions. The High Authority formed an independent supranational organ; it had legislative and executive powers, including the right of initiative. The Council of Ministers was the legislative authority. The Common Assembly had a purely advisory function. Moreover, the European Court was established; it was responsible for the application and interpretation of the law generated by the ECSC.

This institutional structure was taken over by both of the new communities, the EEC and Euratom, created under the 1957 Treaty of Rome. For all three communities, then, each had its own Council of Ministers and its own executive authority (called the 'Commission' in the EEC and Euratom). The Common Assembly and the Court were the shared institutions among the three communities. Near the end of the transition period for the EEC, a common Commission and a common Council were created by means of the Merger Treaty. As a result of this, all the government institutions were integrated.

As a result of the gradually enhanced status of the EP, described above,

and as a result of the new decision-making procedures, subsequent amendments to the Treaties meant significant changes in the horizontal allocation of competences and authority. The TEU rolled back the influence of the Commission in formal decision-making; the Commission no longer had a role in the co-decision procedure; the area of application for the cooperation procedure was drastically reduced. But in terms of executive functions, the position of the Commission was in fact strengthened: it was now permitted to impose fines on member states that violated the Treaties.

Formally, the EU's polity consists of an executive body, the Commission, a Court of Justice and two legislative chambers: the Council of Ministers as the federal chamber, and the EP as the popular chamber. The structure of the organs of government is thus similar to that of a federal state. With respect to representation, the chamber of the member states more closely follows the model of the German *Bundesrat* than it follows the US Senate model, as the representatives are members of the national governments and as there is weighted voting. The comprehensive legislative power of the Council, however, corresponds more closely to the US Senate than to the *Bundesrat*. Although the *Bundesrat* votes on and passes all legislation, its *assent* (meaning an absolute right to veto) is only required for about 60 per cent of German laws. What deviates from the usual governmental systems in democratic states is the restricted right of initiative of both chambers and the limited legislative power of the EP. That the executive body, in addition to its right of initiative, also has limited legislative powers is not uncommon. Governments can, under most systems, pass lower-level acts of law.

Nevertheless, it must be emphasized that there is no clear institutional separation of powers; in that way, the EU system is distinct from a presidential type of governmental system. The intermeshing of the executive body and the legislature is much more suggestive of a parliamentary system. The government is not directly elected by the people; rather, it is selected by the parliamentary chambers, although in a very unusual way. The government is proposed and appointed by the federal chamber; the popular chamber must approve the appointments, and it can also recall the Commission by a motion of no confidence. The latter is, in fact, generally taken to be the central feature of a parliamentary-democratic system (Ismayr 1997, p. 15). However, the programme and the composition of the Commission do not reflect the outcome of the elections to the EP. Thus, the European polity resembles a parliamentary democracy in the formal sense, rather than in the substantive meaning of the term. A further development into a parliamentary system would require two major constitutional amendments: a more balanced division of powers between the Council and the EP, and election of the Commission by the EP. Nevertheless, with its intermeshing of powers, the formal architecture of the organs of the EU is much closer to a parliamentary than to a presidential system.

Towards flexible integration

The 1995 enlargement and the steadily growing number of applications from countries wishing to join the EU triggered new discussion over the necessity for institutional reforms. One of the main points of discussion is the possibility for individual countries to opt out of the common policies. Up to now, however, a retreat of individual member states from the common policies has only occurred with the European Social Charter and with Monetary Union, in which both the UK and Denmark have chosen not to participate. The ToA introduced the so-called notion of 'closer cooperation', which foresaw, for the first time, a regular possibility for flexible integration. Closer cooperation is only possible, however, if more than half of the member states participate and if no other member exercises a veto. At the Nice summit these conditions were changed. Now, a minimum of eight member states must participate, and decisions on closer cooperation are taken by qualified majority.

FISCHER'S BREAK WITH THE PATH OF INSTITUTIONAL DEVELOPMENT

Fischer's constitution for the European Federation breaks threefold with the above-described lines of development. For both paths, from intergovernmentalism to supranationality and to democratic representation in a federal system, Fischer's proposals would imply a reversal of direction. With respect to structure of the government institutions, his proposals mean, in at least some variations, 'jumping the path' from a typical European parliamentary democracy with intermeshing of powers to a US-style presidential system with separation of powers.

Concerning the government and the federal chamber, the Fischer proposals are ambiguous: the 'European Government' will either be composed of ministers from the member states, or of Commissioners, the head of which will be a directly elected president. The federal chamber is supposed to represent the member states, and it will follow the models of either the German *Bundesrat*, or the US Senate. From these proposals, we can derive four model variations, the elements of which are captured in the overview below (table 1). For purposes of comparison, the organs of government of the present EU have been included in the final column of the table.

Deviation from the path to democratization

The four variations have in common a chamber made up of members of the national parliaments which would, in effect, replace the present directly elected EP. In Fischer's proposal the popular chamber consists of 'elected representatives, who are at the same time members of the national parliaments'. How could this work in practice? One possibility is direct election by citizens. In this case, in a European election only members of national parliaments could run as candidates. This in fact would not be practicable so long as elections do not take place simultaneously in all member states

TABLE 1 *A comparative overview of Fischer's proposals*

	Variation 1	Variation 2	Variation 3	Variation 4	Present EU
Legislature					
Popular chamber	Representatives are members of the national parliaments	Representatives are members of the national parliaments	Representatives are members of the national parliaments	Representatives are members of the national parliaments	Directly elected European representatives
Federal chamber	<i>Bundesrat</i> model (government representatives, weighting of votes)	Senate model (directly elected representatives, equal number of votes)	<i>Bundesrat</i> model (government representatives, weighting of votes)	Senate model (directly elected representatives, equal number of votes)	Government representatives, weighting of votes
Executive body	Heads/members of the national governments (to whom are they accountable?)	Heads/members of the national governments (to whom are they accountable?)	Directly elected president (not accountable to, popular chamber?)	Directly elected president (not accountable to, popular chamber?)	Appointed by the European Council, accountable to, but not members of Parliament
Type of governmental system	Not clear; inter-governmental governance structure	Not clear; inter-governmental governance structure	Resembles presidential system, separation of powers	Resembles presidential system, separation of powers	<i>Sui generis</i> , resembles formally a parliamentary democracy, intermeshing of powers
Impact in comparison to the present EU	Clear re-nationalization, strong move away from democracy	Re-nationalization, move away from democracy	Slight re-nationalization, move away from democracy	Slight re-nationalization, increase in democratic legitimation	

and at the European level – something which is rather unrealistic in the near future. With different election periods, however, during a EP's term, members of parliament would have to stand down if they lost their national mandate in a national election.

A second possibility is the election of European representatives by the national parliaments choosing candidates from their membership. The problem of different national election periods still remains but could be solved in the following way: after each national election the European representatives of this member state would be elected anew. This would imply that there is no election period of the EP itself but a constant revolving of its membership, similar to the German *Bundesrat*, where the government representatives may change after elections at the *Länder* level. Such a solution would be practicable, although it is not common in popular chambers. It would also imply, however, that the EU representatives mirror the party composition of the national parliaments. Thus, the majority of the represen-

tatives in the EU for each member state would belong to the party in government. Therefore, Fischer's proposal of 'elected members of national parliaments' is the equivalent of *delegates* of national parliaments – and so it was understood in Germany (*Süddeutsche Zeitung*, 18 May 2000, p. 11).

This form of indirect representation would mean a significant loss of democratic legitimation for European politics. Although Fischer claims explicitly that his model would eliminate the democracy deficit, this would be true, at best, only in a formal sense. The representatives of the member states in the federal chamber would have only indirect democratic legitimation, while the representatives in the popular chamber would acquire direct democratic legitimacy through direct election, but only at the national level. In contrast to the present representatives in the EP, therefore, Fischer's member state delegates would not be elected at European level as representatives of the people.

In variations 2 and 4 (see table 1, above), where the federal chamber would be a Senate-like structure, the lack of legitimation of the first chamber would be compensated through the direct democratic election of the senators at European level; in variations 3 and 4, the government would acquire democratic legitimacy through direct election of the President. Whereas variation 1 would mean a significant reduction in democratic legitimacy, in variation 4, the democratic legitimacy of the system in its entirety would be greater than that of the present EU. Model 4, however, probably has the least chance of getting through, because it deviates the most from the present European institutional system.

Re-nationalization

In Fischer's model, the national state executive bodies, above all, would gain considerably more power in European decision-making than they have at present. The first chamber would be made up of members of the national parliaments, whose majorities, under the usual European parliamentary systems, support the respective government positions. In variations 1 and 2, this would correspond to multiple representation of national governments at European level. In variations 3 and 4, we can also justifiably refer to a re-nationalization of the European structure, since the popular chamber would be made up of delegates of the national parliaments, and the federal chamber would represent the national states anyway. While in variations 2 and 4 the federal chamber with its directly elected senators would represent the citizens of the member states, in variations 1 and 3 it would represent the national governments, and thus the executive again. Under the present system of decision-making, representatives of the national governments have – as they have always had up to now – the greatest power; in broad areas, however, the supranational actors, the Commission and the EU Parliament, have significant say in legislative matters.

It can be assumed that Fischer, with his suggestion to have a federal chamber comparable to the *Bundesrat*, did not mean that this chamber

should not have full legislative powers. In his speech he refers to weighting of votes and to representatives of government but not to the restricted legislative role of the *Bundesrat*. Thus it is reasonable to assume that on the Fischer model and contrary to the present structure, both chambers would be given equal power. Even if this were the case, however, one could not speak of a true division in areas of sovereignty between European-level and national-level actors, because in each variation of Fischer's model, as in at least two organs, national members of parliament or national executive bodies would be represented. On the whole, in contrast to his rhetoric and his claims, the Fischer model of a European Federation spells a clear re-nationalization of structures and therefore a U-turn, so to speak, on the path taken up to now towards supranationality.

Deviation from the path to a parliamentary system with intermeshing of powers

Several elements of Fischer's concept – for instance, the directly elected president and the federal chamber based upon the US Senate – are reminiscent of a presidential system of government and the American model. Since the main characteristic of a presidential system is an independent, directly democratically elected executive body, the President, with complete separation of powers between the executive and the legislative parts of government, variations 3 and 4 can be assigned to that category. In accordance with that definition, variations 1 and 2 would not be categorized as presidential systems. However, since the executive body, here, neither stems from nor is accountable to the legislative body, we are also not dealing with a parliamentary system. These variations, therefore, can best be described as an intergovernmental governance structure. Up to now, the institutional system of the EU has generally followed the path towards intermeshing of powers and a parliamentary–democracy model; to that extent, Fischer's proposals represent a clear break with the institutional tradition in the EU and in Europe. Fischer's alternative model would necessitate a jump to a different institutional development path.

THEORETICAL CONSIDERATIONS ABOUT THE POLITICAL VIABILITY OF FISCHER'S MODEL

To what extent does Fischer's model represent a realistic alternative for institutional reform of the EU or at least point roughly in the direction reforms could go? If we wish to venture a prognosis about the political viability of distinctive institutional reform proposals, we must first answer the question on the basis of which analytical or theoretical frameworks we could do so. Federalism theory in political science as well as the two dominant theories normally appealed to in analyses of the European integration process – intergovernmentalism and neofunctionalism – permit only limited prognoses in this respect. The executive body, in addition to its right

of initiative, commonly also has limited legislative powers. As has been said, governments can, under most systems, pass lower-level acts of law.

Classic federalism theories in political science provide insights into the motives for building up conglomerates of states – that is, the merging of nation states. The founding of a federation can be explained, for instance, by neighbouring states having common interests (Deutsch 1957), by the driving force of federalist ideologies (Franck 1968), or by external forces, domestic threat or the desire for territorial expansion that cannot be achieved through military action (Riker 1964). In terms of static analysis, the economic theory of federalism deals primarily with the optimal distribution of tasks and authority between different institutional levels and the optimal degree of centralization (Olson 1968; Oates 1972). In terms of the systems competition model, economic federalism theory concerns primarily the dynamically efficient allocation of governmental tasks and authority in multi-level systems (Breton 1997). Although concrete proposals exist for how the institutional structures of such a competitive federalism model would look – for instance, the functional, overlapping, competing jurisdictions concept (FOCJ) (Frey 1996) – all of these theories have a normative character. Thus, they cannot really contribute to an explanation of the actual institutional development in Europe.

From the perspective of intergovernmentalism, the European integration process can be explained as the result of intergovernmental agreements. The EU is thus interpreted as an institutional system to coordinate states' interests (Keohane and Hoffmann 1991; Moravcsik 1993). According to this model, European institutions serve as instruments for resolution of conflicts between states, reducing both uncertainties and transaction costs. Intergovernmentalism thus explains the creation and development of European institutions primarily in terms of the functions that they perform for the member states. Decisive here is that the institutional structure of the EU 'is acceptable to national governments *only* [authors' emphasis] insofar as it strengthens, rather than weakens, their control over domestic affairs' (Moravcsik 1993, p. 507).

The explanatory power of intergovernmentalism is particularly emphasized, whenever – as in our case – the issue is about constitutional decisions and less about the detailed analysis of European policy developments; on the basis of this theory, prognoses about specific institutional developments are nevertheless rarely possible. One can make statements or assumptions about the options and potential advantages of intergovernmental cooperation, but not about the concrete form of its institutional structure; ultimately, a multiplicity of institutional forms is conceivable, whereby cooperation among EU member states, based upon such forms, would prove mutually beneficial (cf. Shepsle 1989).

This open-endedness of the above-discussed theories in terms of their ability to define concrete institutional structures also characterizes neofunctionalist theories. Neofunctionalism interprets the development of

European institutions as the creation of a political authority above the nation-state. This process is driven by the progressive reorientation of social actors (mainly the political elite and special interest associations) toward the supranational level which is ascribed a superior ability to develop and provide solutions to political problems; it is expected that these solutions would better meet the interests of the nation-states than would the unilateral activities of national governments. Spillover processes as well as autonomous action by supranational actors favour a kind of supranational institutionalization that – in contrast to intergovernmentalism – is not reducible to a revocable transfer of exactly defined competences and authority to a regional organization (Haas 1958; Lindberg and Scheingold 1970; Jachtenfuchs and Kohler-Koch 1996, pp. 17–18).

Focusing on the process dimension of integration has meant that consideration of possible institutional end results has been neglected (Schmitter 1992). Accordingly, scenarios have been developed that, in addition to the development toward the 'regional state', foresee a continual 'asymmetrical overlapping' of common and national areas of authority (Haas 1971, p. 31). With that, however, neofunctionalism theory still offers few starting points for a reasonable prognosis about the concrete shape of European institutions. Emphasizing the development of supranational institutions implies nothing about the concrete weighting of supranational and intergovernmental components. To that extent, then, it is difficult to draw conclusions about the viability of Fischer's model.

The classic theories on European integration yield no clear conclusions about the development of the European institutional structure and, consequently, no conclusions concerning Fischer's reform proposals. To generate more concrete statements, we shall have to take recourse to alternative theoretical concepts. In the light of the basic formulation of the issue, as we have laid it out here, historical institutionalism in particular would appear to provide such an alternative framework (Knill 2001; North 1990; Pierson 1996; Thelen and Steinmo 1992). Even though historical institutionalism does not represent a consistent theory in itself, we can use it to generate some preliminary conclusions about the process of institutional development over the course of time.

The central argument here is the emphasis on the path-dependence of institutional change, implying that initial institutional decisions – even sub-optimal ones – can become self-reinforcing over time (Krasner 1988; North 1990). Initial choices encourage specific responses and commitments by political, social and economic actors, greatly increasing the cost of adopting once-possible alternatives and hence inhibiting exit from a selected institutional path (Pierson 1996, p. 145).

Existing institutions influence the strategic opportunities of actors by opening up specific corridors of action while, at the same time, excluding other options. Institutional change can therefore be expected to be based upon incremental adaptation along specific paths; fundamental departures

from these paths can be expected to occur only very rarely: for instance, in the case of external shocks or fundamental crises (Thelen and Steinmo 1992). The adaptation of institutional arrangements to changing environmental conditions and actors' preferences 'is therefore crucially influenced by ... the origins and the paths by which they have arrived where they are' (Olsen 1995, p. 4).

Indeed – and this should have been clear from the preceding sections – just such historical development paths can be identified for the European institutional structure. This perspective leads, in turn, to a rather sceptical assessment concerning the political viability of the Fischer reform proposals. This statement becomes more tangible on closer inspection of some of the analytical considerations based upon the theoretical approaches comprising historical institutionalism.

In this context, a first factor refers to the fact that existing institutions might significantly restrict the strategic opportunities and constraints for political actors in order to initiate and enact institutional reforms. Institutional hurdles of this kind are in general particularly apparent when – as in our case – the issue is about constitutional reform (Moe 1990). Thus, amendments to the European treaties require not only a unanimous vote by EU member states, but, beyond that, ratification by the national parliaments as well as (in some countries) ratification by referendum.

These rules governing constitutional reform in the EU create what Scharpf (1985) has called a 'joint-decision trap'. Since any departure from initial institutional choices has to be accepted by all member states, these constellations favour the persistence of the *status quo*. As long as only one important member state strongly prefers the initial choice over new solutions, no reform decision will be taken, implying that the initial arrangements persist.

In view of these requirements, it is rather improbable that the EU member states would agree to fundamental institutional restructuring along the lines implied in the Fischer proposals. This is even more the case if we consider the fact that, together with decisions about institutional structure, ultimately, decisions about the distribution of power are being made (Knight 1992). Beyond that, it is not at all apparent why the member states should be prepared unanimously to shift away from an institutional path which, up to now – despite blockades and stagnation from time to time – has proved successful, and choose to engage in a political experiment about which *ex ante* no dependable claims are possible (Lepsius 2000).

Even if we consider the influential role of the German–French leadership, which facilitated agreement with respect to earlier reforms of the European institutional structure, this still does not yield a more optimistic assessment of the chances that the Fischer proposals would be adopted. This is not only because, with the increased number of member countries, the relative political weight of Germany and France within the EU has decreased (Hix 1999), but also because – regardless of overlap and convergence – Germany

and France have clearly different ideas about reform of the European institutions (Quermonne 2000). This is particularly the case for the already-mentioned parliamentary structure of a bicameral system, as well as for the creation of a European government (Juppé and Toubon in *Frankfurter Allgemeine Zeitung*, 17 June 2000, p. 8). In short, one cannot assume the reform-favouring influence of a German–French avant-garde leadership.

A second factor, which indicates path-dependent development rather than a fundamental restructuring of the European institutions, refers to the degree to which existing arrangements are institutionally embedded. Krasner (1988) introduced two dimensions that determine the degree of institutional embeddedness and, consequently, the degree of institutional stability: institutional breadth and institutional depth. Institutional breadth is defined as the degree to which specific institutional arrangements are intertwined with their institutional environment. The more intertwined they are, the more the adaptations of individual institutional arrangements will necessitate corresponding reforms in other areas. Hence, the implied costs of adaptation and the degree of institutional stability rise with the degree of institutional breadth. From this perspective, Fischer's comprehensive reform proposals represent a relatively unrealistic option, as they would also require extensive, completely new structuring of the institutional framework.

Particularly problematic in this respect would be the adoption of Fischer's ideas about re-nationalizing European-level competences and authority. Such a proposal ignores potential repercussions from the activities in one policy field on other sectors. Policy interaction effects of this kind are well documented; they have been observed, for instance, between monetary and agricultural policy (McNamara 1993), and economic and social policy (Leibfried and Pierson 1995). As a consequence of these cross-sectoral interdependencies, which increase the degree of Europeanization of policy areas, the ability to purposely exclude other policy sectors from being placed under the authority of the Community is greatly reduced because 'the sectors to be integrated cannot effectively be isolated' (Pierson 1996, p. 139).

A further aspect, from which higher costs of adaptation would result, concerns Fischer's ideas about differentiated integration based upon his notion of an 'open core of European countries'. Since his institutional reforms are, first of all, only supposed to affect an avant-garde of core countries prepared to integrate, his concept implies, at least in the transitional phase, that there would be two complete, co-existing institutional frameworks: an enlarged EU and a European Federation made up of an expanding group of core countries. This doubling of institutions and the corresponding problems of institutional coordination have already been addressed by the French Foreign Minister, Hubert Védrine, who underscored them as a major weakness of the Fischer concept (*Frankfurter Allgemeine Zeitung*, 13 June 2000).

The degree of institutional interconnectedness can be seen as more than just an obstacle to reform in the sense of a hindrance to the adaptation of existing structures. On the contrary, a certain degree of institutional anchoring can be a precondition for institutional innovation, the aim of which is not to abolish or replace existing structures, but rather to introduce new, additional, elements. One of Fischer's proposals, the introduction of a directly elected President of the Commission, is a good example of the latter. The direct election of a Commission President presupposes a fully developed European political party system and corresponding competition between Europe-wide parties; but, at European level, these institutional preconditions have neither been met, nor can we anticipate that such structures will be created in the foreseeable future. To that extent, Fischer's concept is probably doomed to failure – not so much because of the institutional inflexibility of existing structures, but rather because the Fischer-type elements are not institutionally anchored in present institutional arrangements.

Institutional stability is not just a function of the degree of horizontal interconnectedness; it is also a function of the depth of embeddedness. Depth is defined as the extent to which institutional structures are rooted in dominant political ideas or paradigms. Seen from this perspective, we also arrive at a sceptical assessment of the political viability of the Fischer proposals.

Fischer's suggestions, in some areas, suggest an institutional system that more closely resembles the US presidential model than it does the dominant pattern of parliamentary democracy to be found in the EU member states. This implies more than just higher costs of institutional adaptation. Because the governmental systems of the EU member states are of the parliamentary type – characterized by the high intermeshing of powers as opposed to the separation of powers to be found in the US – this will have a significant impact on the expectations and conceptual aims of the social and political actors who operate within that tradition. Ideas such as Fischer's about how structures of the future European multi-level system ought to be designed, and that deviate significantly from or are not reconcilable with existing paradigms and institutional myths, will hardly be politically justifiable (see Kohler-Koch 2000, p. 30).

The same holds for those of Fischer's ideas that imply a reversal of the democratization process in the EU. Although, in the current scientific discussion, it is to some extent questioned that the same demands for democratic legitimacy that would be placed on national political systems must also be placed on the EU political system (Majone 2000), the dismantling of possibilities for democratic control is scarcely politically defensible and it is not likely to be achieved, if for no other reason than the increasing mistrust of the general public vis-à-vis European institutions (Schmitter 2000).

For similar reasons, Fischer's ideas about differentiated integration based

upon a set of European core countries have little chance of coming to fruition. Fischer's kind of solution would imply, at least for a transitional period, the establishment of a two-class Europe – a development that clearly deviates from the notion of European integration we have had up to now. Moreover, *vis-à-vis* those member states deemed as not 'worthy of belonging to the core', Fischer's concept would be politically difficult to push through and to defend. It is no accident, therefore, that his formulation of a 'European core' is contradictory: a core that is, at the same time, 'open for everyone'. The path of European integration followed up to now leans more towards the direction of functionally differentiated regimes of member states than it does in the direction of fixed cores.

Fischer's proposals constitute not only a turning away from the integration policy models and principles followed up to now, in terms of institutional development, they, in fact, constitute a real break with current European reform policy. Up to now integration has been characterized by the 'Monnet method', according to the formula, 'step by step to more integration without a blueprint for the final goal' (Schneider 2000, p. 171). Fischer's obvious fixation on the final appearance of an integrated Europe stands in notable contrast to past and present European systems development policy that has been characterized by conscious rejection of an 'end state' focus (Lepsius 2000).

Historical and theoretical considerations presented up to now, indicating a path-dependent development of the European institutional system, begin to look even more plausible when we take into account the reform steps agreed at the Nice summit in December 2000. Independently of how we politically assess the compromise package, it represents without doubt an incremental further development of the European institutional system rather than fundamental departures from existing institutional paths. This holds true, for instance, with respect to the partial expansion of majority voting in the Council, the moderate changes in the weighting of votes, as well as the future restrictions of the number of Commissioners to one per state.

AN ALTERNATIVE CONCEPT OF REFORM

Against this backdrop, it is doubtful whether Fischer's proposed 'founding of a new constitutional basis' represents a realistic alternative, but this in no way precludes the necessity for institutional reform in general. The problem is to find an alternative concept of reform (one that is politically viable and functionally suitable) in order to guarantee that an enlarged EU can continue to operate. In this section, we intend to demonstrate that a concept which fulfils these conditions by no means requires the departure from the institutional development path followed up to now, but can be based on the continued further development of what has already been achieved.

In developing our concept, we consider both analytical and normative criteria. In analytical terms, our major concern is with the political viability

of institutional reforms. Taking into account the insights derived from historical institutionalism, the objective is to design a reform concept that avoids fundamental departures from the *status quo*. It might therefore come as no surprise that many of our suggestions imply incremental changes rather than revolutionary ideas. Hence, our suggestions do not reflect an 'end state' of the integration process, but rather indicate intermediary steps towards this objective.

From a normative perspective, we start from three basic conditions. The institutional reforms should not only secure the decision-making capacity and democratic legitimacy of the EU political system, but also promote the further deepening of European integration.

We are fully aware of the fact that our suggestions are by no means the only way to achieve these normative criteria. In the scientific and political debate many options have been advocated which could fulfil these normative objectives even more effectively. However, in many instances, these proposals suggest fundamental departures from the existing developmental path of European integration, hence indicating potential problems with respect to their political feasibility. In the following section we therefore present the basic elements of a reform concept for the European institutional structure which explicitly seeks to balance normative objectives and political viability.

Clear criteria for the distribution of competencies

Concerning the issue of dividing sovereignty between the member states and the federation, Fischer's proposal entails nothing new. His demands to restrict the competencies of the federation to those problems which really require a solution at the European level is well in line with the principle of subsidiarity. The implementation of this principle, however, suffers from the fact that it has never been specified by clear criteria guiding the allocation of competencies between the EU and the member states (von Beyme 2000, p. 6).

In view of this deficit, several proposals have been made in the literature to explicitly define European and national competencies in the Treaty. For the most part, a 'bipolar' list is proposed which enumerates not only the competencies of the European level, but also those areas under the exclusive jurisdiction of the member states (Fischer and Schley 1999; Scharpf 1994, p. 135). The assignment of responsibility at European level should occur primarily when the problems to be solved have a global, Europe-wide or transboundary character, as is frequently the case for trade or environmental policy; or where a common policy would bring with it substantial political advantages, as is the case with the CSFP and JHA. In this way, tendencies towards the centralization of competencies at the European level can be avoided.

The development and implementation of such a constitutionally defined catalogue of European and national competencies, however, might suffer

from important practical problems. This can be traced to the fact that a functionally adequate allocation of competencies can hardly rely on merely sectoral criteria, but has to be defined in view of underlying problems to be addressed. As a consequence, the emergence of new problems would require a complicated and lengthy procedure in order to adapt corresponding provisions in the Treaty.

To allow for a more flexible allocation of competencies, it might constitute a better solution to define clear criteria for the distribution of competencies in the Treaty, rather than to formulate an enumerative catalogue. In this way, not every reallocation of competencies would require constitutional changes, but could be achieved within the usual decision-making procedures on the basis of the Treaty.

Such rules could replace the rather open criteria specified in the general clause of art. 308 (ToA, ex. art. 235) which has been criticized as a 'gateway of spillovers', hence favouring the centralization of competencies at the European level (Kohler-Koch 2000, p. 35). Moreover, these criteria should entail the possibility of re-nationalizing European competencies in the light of changing conditions.

However, none of these options should seduce policymakers into any illusion: in an age of global markets, global transportation and communications systems, global environmental problems, and the building up of new political blocs, we must reckon with the fact that the greater part of all necessary political and legal measures will fulfil the criteria for a corresponding allocation of competencies at the European level (cf. Scharpf 1994, pp. 138–9; Lepsius 2000). In the future, it should be expected that more and more policy and decision-making will be placed under the authority of the Union.

Flexible integration

Because the increasing heterogeneity of the member states will make common politics and policies more difficult, it will be necessary to permit some form of differentiated integration (cf. Grabitz 1984; Giering 1997; Stubb 1996, Holzinger and Knoepfel 2000). To avoid the problems associated with the introduction of a group of European core counties or a 'gravitational centre', a solution based upon the flexible and functional cooperation of different territorial units should be considered. This form of integration would have the advantage that corresponding regulation for it already exists, namely, the possibility for 'closer cooperation' addressed in the ToA and further developed by decisions taken at the Nice Summit in December 2000. If this principle were to be extended to subnational units, and the conditions for closer cooperation eased (eradicating the requirement for a minimum number of members), this would make forms of differentiated integration possible.

Different groups of member states could join together to form a regulatory unit, for instance, which could be responsible for a specific policy or

task. The geographical scope of such a unit would be determined either by the nature of the problem to be solved – so, for instance, the Alpine states could come together to solve problems related to tourism, or the states adjoining the Rhine could work together on water quality problems – or the regulatory unit would be based upon common political will, as in the case of Monetary Union. This kind of cooperation could also be made possible for subnational units such as the German *Länder* or local authority districts. The model we have in mind here is that of the American ‘special districts’, that is, special-purpose associations of local authority districts that have the power to raise levies to solve specific problems or carry out specific tasks.

Appointment and organization of the Commission

Fischer’s proposed options for creating a European government – (1) further development of the European Council; or (2) the present Commission structure with a directly elected president – reflect no realistic alternatives to the present institutional structures. While Fischer’s first option implies a complete break with institutional development as it has been up to now, the institutional prerequisite for his second option – a fully developed European party system – is missing. Thus, we would suggest that everything speaks in favour of sticking to the current practice of appointment and political control of the Commission, which incorporates both the European Council and the Parliament.

More urgent than the problem of appointment and control of the European executive body is the question of its composition. Fischer’s concept offers no concrete proposals for this. At the Nice Summit a proposal was accepted that the future number of Commissioners will be restricted to a maximum of 27, one for each (anticipated) member state. However, a European government consisting of 27 Commissioners, with their respective General Directorates, would represent an unnecessary inflation of the European bureaucracy. If our goal is to have a slimmer, more efficient and, at the same time, truly representative executive body in an enlarged EU, then we shall have to consider another solution. It is possible to expand the field of play for national representation, if, besides a maximum of 20 Commissioners, the respective General Directors (who are similar to the German permanent secretary or the British under-secretary) are also included in the political positions that are to be allocated. This solution could be implemented step by step, gradually switching from permanently appointed public officials to ‘political’ General Directors.

A European bicameral system

The main pillars for a European legislative system, pillars which would guarantee democratic legitimacy and political operability, already exist in the present institutional structure. With comparatively moderate reforms, a functioning bicameral system could be developed, based upon one directly

elected and one federal chamber, namely the EP and the Council of Ministers.

The first aspect that has to be addressed concerns the voting rules in the Council. To ensure the decision-making capacity of an enlarged Union and to avoid 'joint-decision-traps' emerging from the unanimity rule (Scharpf 1985), decisions should in principle be based on a qualified or simple majority; the precise areas of application are still to be defined.

Secondly, it has to be taken into account that majority voting in the Council implies at the same time important problems for the democratic legitimation of European decisions. While under the unanimity rule European decisions can still be considered as indirectly legitimated via the national parliaments, this is no longer the case for decisions taken under majority rule, where this legitimacy chain is interrupted (Kohler-Koch 2000; Zürn 1996).

These democratic deficits could, in principle, be compensated for by strengthening the powers of the EP. Thus, the co-decision procedure already partly in practice could be extended to all areas of European policy making. This means expanding the EP's areas of legislative competence, which implies, in turn, that the democratic legitimacy of European politics in general would be increased. Moreover, in order to ensure more equal representation of the population, changes would require to be made to achieve uniform European election rules and to correct the current imbalances in terms of population sizes and number of representatives for individual member states.

However, it is well acknowledged that a functioning democratic system cannot be created by merely adjusting formal rules and enhancing the competencies of the EP. In order to live up to democratic standards, it is argued that Europe needs a *demos*, a European public as well as a transnational political infrastructure (Abromeit 1998; Kielmannsegg 1996).

Demos refers to the idea of a European society that is willing, across all divergence of opinion and interests, to live under common rule and to share political and social rights with all other citizens. In view of the heterogeneity of the European societies in a Union of 27 or even more members, it is generally considered questionable whether a European *demos* is in the making. There is surely no social European identity yet, although a recent study shows that there are a number of shared values which are typical of Western, Eastern and Southern European countries (Fuchs and Klingemann 2000). Even more doubtful is that a European public will exist in which European citizens communicate about their preferences in tastes and values, given the heterogeneity in language, culture and traditions. Moreover, it is argued that without a European space, a Europe-wide media structure and a European party system, there exists no transmission belt and no political discourse that can make the voice of European citizens heard (Kohler-Koch 2000, p. 34).

In view of this lack of societal conditions for a functioning parliamentary

democracy at the European level, suggestions have been made that reliance should be instead on forms of direct democracy. Abromeit (1998), for instance, has proposed the introduction of different types of referenda, by which the electorate can veto political decisions taken at the European level. She distinguishes between a regional veto, which refers to all European decisions interfering with the autonomy of subnational units, and a sectoral veto, which enables functional electorates to veto policy decisions developed in European policy networks. While referenda might certainly constitute an important way to reduce the EU's democratic deficit, it should not be overlooked, however, that they are characterized by many disadvantages. These include their limited applicability (not every decision might be suitable for a referendum), the lack of expertise among the electorate, the dangers of populism and, most importantly, the increasing length of time taken for political decision-making. In view of these problems, forms of direct democracy might supplement rather than replace patterns of parliamentary democracy in the EU.

In addition to the introduction of complementary referenda, one should therefore think of further ways by which the lack of societal conditions in terms of a European *demos*, a European public and a transnational political infrastructure, can be overcome. To what extent is it possible to induce the development of a collective European identity, a European political discourse or the emergence of a European party system as the main condition for a functioning parliamentary democracy? In contrast to the rather static expectations about the development of a European democratic society – inherent to many criticisms of EU parliamentary democracy – we consider that considerable opportunities exist to accelerate and stimulate such developments (see also Zürn 1996). Such effects might emerge, for instance, from the mobilization effect associated with the introduction of European-wide referenda. Another possibility refers to the establishment of a parliamentary-elected European President, a subject to which we will now turn.

A parliamentary-elected President of the EU

In general, the position of the President of the European Commission is comparable to that of a national head of government. However, we must ignore the fact that, unlike the British Prime Minister or the German Chancellor, the President of the European Commission can at best only informally influence the composition of his own government. As *primus inter pares*, he or she is primarily concerned with executive tasks. The present European institutional structure, on the other hand, does not have a political office with purely representative functions comparable to that of the German President. In the light of impending institutional reform, however, such an office, a President of the EU, does seem reasonable. The EU President would have a symbolic, integrational function. He would represent the EU to the outside world and could have an important political role as

an internal conciliator or intermediary between different member states or between individual member states and European-level institutions.

An office of this sort could not only provide additional political momentum to the integration process in an enlarged Europe; in the long run, it could have a further positive side-effect, if political incentives were correspondingly determined: namely, the establishment of a European party system. For this to occur, first of all, it would be crucial that the European President be elected by the EP. The member states would be unlikely to accept such a procedure for selecting the President of the Commission, someone who has a very influential political position. However, the direct election of a President of the EU, who would primarily have representative rather than executive function, could serve as a lever to set in motion competition between political parties at the European level. It would provide an incentive for the development of European-level parties on the basis of coalitions of national parties with similar platforms (for instance, from the present factions in the EP), as the parties would have to agree upon common top candidates at the European level for the office of President. European elections would henceforth be determined by the election campaigns of European-level parties, rather than by competition between national parties.

The creation of a functioning European party system will not happen overnight, but it is nevertheless of decisive importance for the further development of European integration. The democracy deficit, from which the EU undoubtedly suffers, is reducible ultimately only if political institutions are present to aggregate, articulate and integrate political interests. In the long run, therefore, it is entirely conceivable that the Commission itself will be elected by the European Parliament as well. A European party system is the prerequisite for the democratization of the EU. To promote and support its development, therefore, should be a central aim of any reform of the present institutional structure.

SUMMARY

There is no doubt that the Eastern enlargement of the EU is necessary, and that corresponding reforms of the European institutions must also occur. The German Foreign Minister, Joschka Fischer, presented a proposal that triggered a controversial debate about the future of European institutions. Regardless of the political assessment of Fischer's concept, its political viability must be judged more critically and far less optimistically. This is necessary because of the fact that Fischer's ideas about the future final status of a European federation represent a total break with the developmental paths of European institutions followed up to now. 'Path jumping' of this sort would imply high costs for institutional adaptation. In the light of these considerations, reform of European institutions must be directed more towards the elaboration and further development of existing arrange-

ments. It is clear that, on this basis, there are sufficient bargaining options available to guarantee an operable, enlarged EU capable of effective political action and decision-making.

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