

*The E.U.: An Intergovernmental Organization with Supranational Aspirations*

There is no easy answer to the question of whether the European Union is intergovernmental or supranational, nor is there an easy answer to the question of whether it *should* be. Yet, careful analysis reveals that the structure and authority of the European Union as it stands mark it as a primarily intergovernmental institution. Conversely, a supranational structure seems to make the most sense with the collective European interest in economic, foreign, and domestic policy in mind.

## **Empirical Analysis**

### *I. Institutions*

The European Union is composed of five major institutions: the European Council, the Council of Ministers, the Commission, the European Parliament, and the Court of Justice. Of the five, the Council and Council of Ministers are strongly intergovernmental in nature, while the others tend toward a supranational focus. The institutions are quite diverse in their composition and policy goals, yet the ultimate authority in decision-making rests within the strongly intergovernmental institutions. As such, the institutional structure of the E.U argues more convincingly for an intergovernmental approach.

The **European Council** is almost definitionally an intergovernmental institution. It is composed of the heads of government of each of the E.U. member-states, who meet in semi-regular summits to discuss broad policy goals for the Union. The interactions of the council are characterized by the sort of bargaining, concession, and discussion characteristic of any international summit. Though the policies reached may advance the cause of European integration, the decision-making process of the Council is distinctly a reflection of realist

thought. States act largely in their own self-interest, and any compromise of that self-interest is likely a bargaining concession. As the central actor in E.U. politics and the most powerful institution in the Union, the Council casts a long shadow of intergovernmental oversight over any supranational institution or policy.

Quite like the European Council, the **Council of Ministers** is composed of actors with the national interest as their number one priority. It is composed of appointed ministers from national governments, with each representing their state in the relevant, secondary council. Also like the European Council, the Council of Ministers is quite powerful, as it is “in many ways . . . more like the legislature of the E.U. than the European Parliament,” (McCormick 89). The Council of Ministers, along with the Parliament, is charged with amendment and approval of Commission proposals. Thus, while the European Council exerts broad control over the E.U. agenda, it is the Council of Ministers that is charged with the specific power to approve or deny a proposal. Acting in this capacity, the Council of Ministers can act as an impediment to the progress of integration. Armed with significant legislative powers and characterized by a spirit of diplomatic bargaining and singular pursuit of national interest, the Council of Ministers is another intergovernmental stumbling block to full, supranational integration in the E.U.

The **European Commission** is a bit like a mirror image of the European Council. It is the most supranational of E.U. institutions, acting as the steward of the collective European interest. The Commission consists of twenty-seven Commissioners—one from each country. Though the Commissioners are appointed by their own national government, “they are not national representatives, and they must swear an oath of office saying that they will renounce any defence of national interests,” (McCormick 84). Thus bound to serve the general interests of the E.U., the Commission is able to advance integration in a number of ways. The Commission is

responsible for drafting new legislation, encouraging or compelling implementation of E.U. policies in member-states, managing the finances of the E.U., and external relations (McCormick). It is in its role as the initiator of new policies that the Commission has made its presence most felt in the recent past. Beginning with the Delors Commission in the mid 80s, the Commission has been a key source of integration through supranational means. The resulting policies—most notably the Single European Act—are the products of cooperation and *common* interest, rather than bargaining in light of *competing* interests. The Commission is the prime example of supranational governance in Europe, and has been and will continue to be a key catalyst for European integration.

The **European Parliament** is another primarily supranational institution of the European Union. Though it is the only body of the European Union directly elected by citizens in E.U. member-states, the Parliament is ultimately ineffectual due to a lack of authority and insufficient credibility. The Parliament is composed of representatives from each of the constituent states, with the seats divvied up roughly by population. Its responsibilities are probably the least significant of any of the major E.U. institutions. The Parliament cannot introduce legislation, and shares its powers of amendment and approval with the Council of Ministers. It has limited budgetary authority and some small supervisory responsibilities. Though the Parliament's role in E.U. decision-making is certainly growing, it remains, at the moment, the least effective major institution.

The **Court of Justice** is a strongly supranational institution. Though the twenty-appointed justices are national appointees, independence from said member-state is a requirement of the position, and promotion of national interest is prohibited. The Court's charge is to "make sure that national and European laws . . . meet the terms and the spirit of the treaties,

and that E.U. law is equally, fairly, and consistently applied throughout the member states,” (McCormick 100). In practice, the Court often finds itself representing the interests of European integration over the interest of national sovereignty. In asserting the primacy of European law in areas of E.U. “competence,” the Court acts a protector of supranational institutions and legislation and the collective European interest.

Clearly there is great diversity in the five major E.U. institutions. The structure of the European Union is neither completely intergovernmental, nor entirely supranational. Yet, the greatest power in terms of both sweeping vision (the European Council) and specific legislative authority (Council of Ministers) lies with the intergovernmental institutions. As such, the general institutional structure of the European Union tends toward an intergovernmental interpretation.

## II. *Policy Areas*

The European Union exerts some level of control over a wide range of policy areas. In some it exerts almost complete control at the supranational level (economic policy), while in others it has next to no influence (foreign and defense policy). A host of other issues lie somewhere in between these two poles, yet ultimately tend toward an intergovernmental character.

The collective **economic policy** of the European Union is one of the great success stories of European integration and the prototype for effective supranational governance. Pursuit of a single, free European market has been a goal of European integration since its inception as the European Coal & Steel Community. Though small steps in that direction were taken over the following decades, it was the passing of the Single European Act (SEA) in the mid 80s that

signaled the realization of the single market was imminent. The act strove to eliminate all “remaining non-tariff barriers to the free movement of people, money, goods, and services . . . [taking] three main forms: physical, fiscal, and technical,” (McCormick 159). The removal of these barriers necessitated an encroachment on the traditional domain of the nation-state. It threatened the territorial integrity of the nation-state, held influence over certain tax rates, and took control of product standards and regulations. The implementation of the single market represented a clear shift toward supranationalism in European economic policy. Besides asserting the primacy of the E.U. in economic matters, the act itself was the brainchild of the Delors Commission, the most supranational of E.U. institutions. The Single European Act and the resulting single European market are products of supranational administration and manifestations of supranational policies.

The implementation of the Euro in thirteen E.U. member-states is another proud moment in the history of European integration and the proliferation of supranational governance and policy. The implementation of the European monetary union required participants to meet certain convergence criteria, at which point they would relinquish control of exchange rate policy to the European Central Bank. Not only did these convergence criteria amount to E.U. control over national monetary policies, but the idea once again originated in the highly supranational Delors Commission. The hand-over of exchange rate policy control to the European Central Bank was an even greater concession, representing a clear and significant surrender of authority from the nation-state to the European Union. Though the Euro is not yet implemented across the European Union and has not been without its failures, it has helped to stabilize exchange rates for the single market, facilitated greater and fairer competition across borders, and placed European currency on the same level as the U.S. Dollar or the Japanese Yen (McCormick).

Again, the unification of European monetary policy is both the product of supranational governance and an example of supranational policy in practice.

Attempts to build a coherent **foreign policy** within the E.U. have failed repeatedly to achieve anything close to a unified voice to the world. Initial attempts at foreign policy coordination, such as the European Defence Community (EDC) and European Political Cooperation (EPC) failed to have a noticeable effect and remained strongly intergovernmental in their structure. The current incarnation is the Common Security and Foreign Policy (CSFP), implemented by the Maastricht Treaty. Though CSFP has made some minor progress in coordinating policy, it has woefully underperformed with major issues—Bosnia, Kosovo, Iraq War—on the table. Even if the CSFP were to perform up to expectations, it would still be undoubtedly an intergovernmental institution. Despite recent efforts to remedy this problem, the CSFP is implemented largely through the highly intergovernmental Council of Ministers, and, thus, is prone to disputes in the name of national interest (McCormick). A cogent, unified E.U. foreign policy is far from realization. The institutions in place today are not up to the task, national leaders will be loath to relinquish this primary duty of the nation-state (the protection of its people), and foreign policy goals vary significantly from nation to nation. European foreign policy as it stands could not be described as anything but *strongly* intergovernmental.

A wide range of domestic policy areas lie somewhere between the stark contrast of supranational economic policy and intergovernmental foreign policy. **Agricultural policy** has long been an important facet of European integration. The long-standing and quite successful Common Agricultural Policy (CAP) is built on “the promotion of a single market in [agriculture] . . . advantages to EU produce over imported produce, and joint financing,” (McCormick 189). These goals for E.U. agriculture policy are supranational, focusing on the integration of separate

markets and a common financial burden. Yet, the implementation of agriculture policy has strong ties to intergovernmental bargaining, as the current system of subsidies was born from French pursuit of national interest. The E.U.'s **regional policy** is a largely supranational undertaking. Designed to narrow the economic gap between the rich states of Western Europe and the poorer states of Eastern Europe, the joint E.U. approach has resulted in more efficient and effective regional aid. Clearly, this aid program places the interests of Europe collectively (the integrity of the single market, the success of some lesser members) over the national interest of the contributing nations. Finally, in **environmental policy** strong attempts have been made to establish a supranational authority, as problems like pollution or global warming transcend national boundaries. Despite this, the E.U. has been unable to fully implement a sound environmental policy across the member-states. Suggestions that the E.U. should be given powers to inspect and force compliance on environmental policy have been met with "worries about loss of sovereignty and 'interference' . . . in the domestic affairs of member states," (McCormick 205). Attempts at forming a supranational environmental policy have been tripped up by familiar, intergovernmental stumbling blocks.

With the notable exception of the almost fully integrated economic policy, E.U. policies tend toward an intergovernmental approach. Foreign policy is almost entirely intergovernmental, while a whole range of other policies may pursue a supranational approach only to find themselves impeded by intergovernmental disagreement. Movement in the direction of supranational policy is apparent (and almost fully realized in the economic arena), yet the E.U. today remains largely characterized by intergovernmental policy outcomes.

### **Normative Analysis**

## I. *Arguments for Intergovernmentalism*

Despite decades of integration and cooperation, European nations remain quite diverse in terms of culture, language, political ideology, and economic standing. Any attempt at a supranational structure will be forced to overcome these barriers to cohesion.

Years of attempted integration in Europe illustrate the stark differences between the constituent states. The almost constant push and pull between France and Germany, the reticence of Great Britain, and decades of bargaining and compromise demonstrate quite clearly the great disagreement existing in the E.U. on any number of issues. Even minor attempts at integration are often met with stubborn resistance from various quarters. Furthermore, the existing language and culture barriers pose another obstacle to full integration. The Union does manage to function with a number of official languages, but would the average European truly be comfortable with a supranational government full of officials who neither his spoke his language nor fully understood and appreciated his culture? Diverse cultures and ethnicities are difficult to integrate into society, and the scale of diversity on the European continent outstrips that of any existing state. Not to mention that the ethnic and cultural diversity is spread over quite a large area and comprises a huge population (nearly 500 million people), making administration an imposing task for any supranational government. The recent enlargement into Eastern Europe also introduces issues of significant economic inequality among the member-states. Though steps are being taken in the form regional aid and the extension of single European market, the discrepancy still poses serious obstacles to full integration. Saddled by daunting political, ethnic, and economic diversity and an imposingly large area and population to handle, a fully supranational government may not be a feasible goal.



Moreover, many existing institutions of the European Union do not inspire confidence in its ability to function effectively as a fully supranational government. The E.U. suffers from something of a democratic deficit. The only institution to be directly elected by citizens is the European Parliament, perhaps the least powerful of the five major institutions despite recent attempts to increase its influence. The real E.U. decision-makers are largely unaccountable to the general European public. The E.U. also lacks anything resembling a coherent foreign policy. It would be foolish and dangerous to pursue supranational governance without first devising a means of ensuring it will produce a coherent, unified, and sensible foreign policy. Lastly, the E.U. has faced criticism on issues of waste and corruption. An expansion into new policy fields and geographic areas would likely only exacerbate any such problems by increasing the size and scope of the government. In its current form, the European Union is likely unfit to manage the entire continent of Europe.

## II. *Arguments for Supranationalism*

As Europe continues to integrate, it is becoming clearer that supranational governance has much to offer to the states of Europe. A unified Europe offers greater relevance in foreign affairs, a more efficient and productive economic system, and a sensible organizational structure for a set of states with some small disputes but, generally, quite similar interests.

Once the focus of the global community, the states of Europe have found themselves the victims of diminishing relevance on the international stage. Shrinking population growth, changing demographics, and a relative weakening of military force have stripped the states of Western Europe of some of their once formidable influence. Though still retaining significant—some would say disproportionate—power in organizations such as the United Nations, states like

France and Germany are finding it harder to project their preferences globally, primarily in their relations with the United States. The buildup to the Iraq War paints a picture of European discord and irrelevance. Some states, like Great Britain and Spain, went along with the United States' plan for invasion, while France, Germany and numerous others opposed it vehemently. The disagreement over Iraq in Europe was contentious and hard-fought, yet, in reality, it was meaningless. The United States asked for the support of European states, but ultimately did not *need* their support in order to go forward. European states may disagree over issues of international import, but in order to maximize their influence over the United States and other world powers, they must form a coherent and unified foreign policy mechanism. Such a mechanism can only be achieved through supranational governance. Without such a development, E.U. member-states will continue to lose global influence.

Nowhere have the benefits of supranational governance been more apparent than in European economic policy. The realization of the single market has been a profound success, breaking down barriers to movement of people and capital, enabling European companies and nations to compete in the global economy, and beginning to correct for the economic inequality of Western and Eastern Europe. The Euro has been successful in the thirteen countries which have adopted it, and expansion into new geographic areas in the coming years seems quite likely. The supranational economic policy of Europe has served to maximize the region's economic potential and unite it like never before. It is a compelling argument for the effectiveness of supranational governance, not only in the economic arena, but as a general tool for the production of prudent policy.

Though not without its fair share of disagreements, the member-states find common ground on many significant issues. In economic policy, free markets, free trade, and fair

treatment of workers are priorities across the board. In foreign policy, there is significant disagreement over specific policy, but forming a substantive counterbalance to American power and pursuing effective defense against common security threats are commonly held concerns. On other issues of domestic policy, reduction in carbon emissions, correcting economic imbalance in Europe, and the protection of civil rights represent convergent European interests.

Supranational governance is the pragmatic choice for the European Union. Its structure would allow Europe to most effectively pursue its common policy preferences and would help to re-establish the region as a major player in world affairs. Arguments for intergovernmentalism, on the other hand, often rely on notions of nationalism and xenophobia, or attempt to emphasize the E.U.'s present failings as an institution. Neither type of argumentation truly addresses the functional benefits of supranational governance. Further integration of Europe into a supranational structure is a practical choice and should be pursued vigorously by the European Union.

## Works Cited

McCormick, John. Understanding the European Union: A Concise Introduction. 3rd. New York: Palgrave MacMillan, 2005.