BRATISLAVSKÁ MEDZINÁRODNÁ ŠKOLA LIBERÁLNYCH ŠTÚDIÍ

**Cooperation in Global Politics and the Future of European Integration
– A Theoretical Model**

Yvonne Lootsma   **Bratislava   2012**

BRATISLAVSKÁ MEDZINÁRODNÁ ŠKOLA LIBERÁLNYCH ŠTÚDIÍ

**Cooperation in Global Politics and the Future of European Integration
- a Theoretical Model**
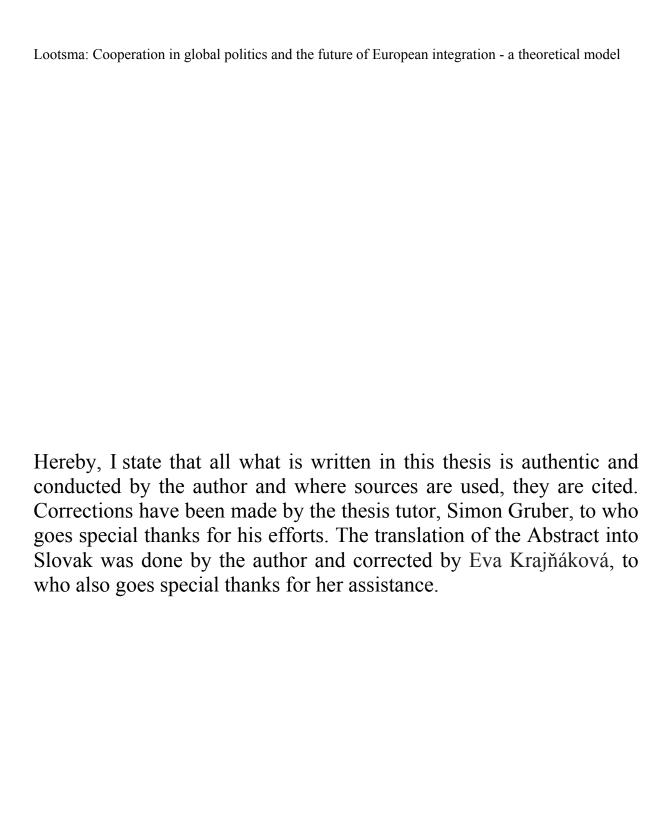
Thesis Author: Yvonne Lootsma
Title: Cooperation in Global Politics and the Future of European Integration – A Theoretical
Model
Name of University: Bratislava International School of Liberal Arts
Thesis Advisor: Mag. phil. Mag. iur. Dr. Simon Gruber
Place, year, number of pages: Bratislava, 2012, 50
Academic Degree: Bachelor of Science (abbrev. Bc.)

Yvonne Lootsma   **Bratislava   2012**

Abstract

Author of thesis: Yvonne Lootsma

Title: Cooperation in Global Politics and the Future of European Integration – A Theoretical Model

Name of University: Bratislava International School of Liberal Arts

Consultant: Mag. phil. Mag. iur. Dr. Simon Gruber

Place, year: Bratislava, 2012

Academic degree: Bachelor (Bc.)

This Bachelor thesis will deal with the question whether the EU can continue to incorporate the differences between the member states in the future and whether this will lead to a split of the European Union. The second question is depending on the turn the EU will take, what shape this would result in.

The claim is that the separate entities are already in place within the EU and are now mechanically tied in a so-called 'ever closer Union.' A different structure in the future with stronger emphasis on difference of objectives in this view can not endanger cohesion where it has never been present and might on the opposite - when carried out in a proper way - make the union more effective and strengthen cohesion in areas where it actually exists. In order to support this claim, international world theories as well as European theories will be looked at. Two hypothesizes to support this claim will be developed based on these:

1. The world is constructed out of systems of states grouped along a spectrum moving from realism to liberalism. In the liberal spectrum intensive forms of cooperation can take place and under certain prerequisites develop into integration.

2. The EU member states can be grouped along the same principle within the liberal system, moving along a spectrum from intergovernmentalism to supranationalism.

Based upon this division, possible modes of differentiated governance within the EU will be presented to confirm the validity of the claim, presented in a model, which aims to show that the EU will more likely move towards more supranationalism than move away from it.

Abstrakt

Autor práce: Yvonne Lootsma

Názov práce: Cooperation in Global Politics and the Future of European Integration – A Theoretical Model

Názov vysokej školy: Bratislavská medzinárodná škola liberálnych štúdií

Meno školiteľa: Mag. phil. Mag. iur. Dr. Simon Gruber

Miesto, rok: Bratislava, 2012

Stupeň odbornej kvalifikácie: Bakalár (Bc.)

Táto bakalárska práca sa zaoberá otázkou, či EÚ môže naďalej zahŕňať rozdiely medzi členskými štátmi v budúcnosti bez toho, aby sa rozdelila. A ak sa rozdelí, bude to znamenať úpadok únie alebo prípadné pokračovanie samostatných subjektov zviazaných dohromady prostredníctvom zastrešujúceho nadnárodného mechanizmu?

Tvrdenie tejto práce je, že samostatné subjekty už existujú v rámci EÚ a teraz sú mechanicky zviazané v takzvanej "čoraz užšej únii ". Odlišná štruktúra v budúcnosti s väčším dôrazom na rozdiel cieľov v tomto pohľade nemôže ohroziť súdržnosť tam, kde nikdy nebola prítomná, ale naopak môže, pokiaľ bude vykonaná riadnym spôsobom, Úniu zefektívniť a posilniť súdržnosť v oblasti, kde už existuje. S cieľom podporiť toto tvrdenie, táto práca nahliada na medzinárodné svetové teórie, rovnako ako na európske teórie. Dve hypotézy na podporu tohto tvrdenia:

1. Svet je konštruovaný zo systémov štátov ktoré sa pohybujú od realizmu k liberalizmu. V liberálnom spektre môžu prebiehať intenzívne formy spolupráce a za určitých predpokladov sa môžu vyvinúť do integrácie.

2. Členské štáty EÚ je možné rozdeliť podľa rovnakého princípu v rámci liberálneho systému, pohybujúceho sa v spektre od intergovernmentalismu k supranacionalismu.

Na základe tohto rozdelenia bude v tejto práci vytvorený model, ktorý si kladie za cieľ ukázať, že EÚ bude pravdepodobne skôr smerovať k supranacionalismu ako sa od neho vzďaľovať.

Contents

Introduction

Since it overstepped the boundaries of an international organisation, these days the EU is defined as a supranational organization. Being the unique creator of this term and thus lacking precedents in this regard, there is no clarity about what this means. As it has outgrown the scope of a mere organisation but not yet reached the scope of a state, with many obstacles blocking the way towards becoming a federation of states, the EU lacks definition and with this direction, identity and decisiveness regarding its policy goals, governance and role in the world. Geert Mak included the following statement in his comprehensive analysis of European history of the previous century:

"'Peace, solidarity and cooperation are only possible and conceivable between nations and states that know who they are', wrote President Vaclav Havel a lifetime later. Herewith he touched a deep historical truth. If I do not know who I am, who I want to be, what I want to achieve, where I start and where I end, then my relations with the people around me and the rest of the world inevitably will be tense, full of suspicion, and charged by an inferiority complex, that maybe will hide behind swollen bravura.' This applies to people, but also to relations between states, and especially for situations where weaknesses of states and people come more or less together." (Mak, 2004, p.73)

Critiques of the EU could possibly argue in this regard that within international relations the EU perfectly portrays how weaknesses of states and people come together, with EU institutions hiding their inferiority complexes behind 'swollen bravura' amidst the tense and suspicious relations of its member states. Currently it is not the best time for the EU with the threat of economic doom hanging over it. It seems to be decisive times for the EU. Thus far it has the following options, stagnate overall integration, enhance overall integration, or partially enhance/stagnate integration: or in other words split up the EU. The split-up lately has become a hot topic, discussed at length in the media, indicating the possibility of a two speed Europe.

"The idea of a two speed Europe, appears a long journey, where the strong decide to go faster leaving the weak at the side of the road. Will they continue to be strong? Nothing is less certain. Europe is at a historical crossroad, from where it can either deteriorate or advance." (Le Monde, 2011).

This indicates that reflections regarding the structure of the EU seem to be required. Who wants to gain what and when from membership of the EU and how can differences of these objectives be incorporated into one union?The thesis question arising from this is, whether the EU can continue to incorporate the differences between the member states in the future, without resulting in a break-up of the union and the second question is what shape of the EU this will result in.

The claim is that the separate entities are already in place within the EU and are now mechanically tied together in a so-called 'ever closer Union' (Treaty establishing the European Economic Community, 1957). A different structure in the future with stronger emphasis on difference of objectives in this view can not endanger cohesion where it has never been present and might on the opposite - if carried out in properly, make the union more effective and strengthen cohesion in areas where it actually exists. In order to support this claim, international world theories as well as European theories will be looked at. Two hypothesizes to support this claim will be developed based on these:

1. The world is constructed out of systems of states grouped along a spectrum moving from realism to liberalism. In the liberal spectrum intensive forms of cooperation can take place and under certain prerequisites develop into integration.

2. The EU member states can be grouped along the same principle within the liberal system, moving along a spectrum from intergovernmentalism to supranationalism.

Based upon this division, possible modes of differentiated governance within the EU will be presented to confirm the validity of the claim.

1. Theories in the world.

In order to gain a theoretical understanding of the dynamics within EU, a theoretical understanding of the dynamics within the world is required. Therefore, before shifting to the theories aimed at explaining the EU, an overview of International Relations theories will be presented. Within international relations the former main theories were realism and idealistic liberalism, which have shifted to a more economically orientated liberalism, with a focus on institutions (institutionalism), while approaches focused on patterns and mechanisms (respectively structuralism and functionalism) of change or the influence of ideas (constructivism and social constructivism). It can be stated that "the focus of academic discussions in the field of International Relations has now shifted towards an ontological debate opposing classic 'rationalist' approaches to constructivist or sociological ones." (Littoz-Monnet, 2010, p.3). Theories of international relations, as the name implies, are theories aiming to explain the relations between states. In general terms they oppose each other in answering the question to what extend long-lasting peace and cooperation is possible between states. Below follows a comparison of the main theories and their differences.

1.1 Realism

Realism aims to be, as the name suggests, a realistic approach to view relations between states. A prominent representative of this theory, neo-realist Kenneth Waltz, has developed the following concept of analyzing international relations, in which he identifies three levels of analysis. Firstly, theories can be established on the system level, which makes inferences on the characteristics of the international system and aims to establish happenings accordingly. Secondly, analysis can be focused on a state based approach, which concerns implications derived from the behavior and interactions of the several states. The starting point here is the political system within the states. Finally, there is an approach which focuses on the nature of individuals and how this plays out in the international system, hence it takes into regard the actions of single political leaders (Waltz, 1959). In realism, to the role of non-state actors is attributed little importance as states are seen as the primary actors in this system.

Realism opposes all concepts of wishful thinking and draws the line at the argument that cooperation is not impossible, but extremely hard to achieve with conflict always looming in the background. Realism is viewed as a pessimistic view of international politics, for stating that conflict is a natural state of affairs in international politics (Holsti, 2004). Realism draws from several political thinkers, such as Hobbes, Rousseau and Locke. As Hobbes has argued, life in nature is short, brutish and nasty,

which is why humans have decided to group together, which has led to the creation of the state. Outside of the state life remains brutish and hence relations between states are nasty. This creates anarchy and self-help in the international system (Baylis, Owen & Smith, 2011). Building forth upon this we can identify Rousseau's (1782) argument, that it is human nature to be in the first and main place selfish, which has manifested itself into societies, where constant comparison has implemented the goal of being better than others, which is ultimately realized through domination. "Egoism and self-interest are not limited to a few evil or misguided leaders, but are basic to all homo politicus. " (Holsti, 2004, p.5) Translated to the state level, this makes societies want to dominate other societies, this drive for domination supports the realist claim that states are always in pursuit of power, which results in a hostile system. On the individual levels, leaders apply a dual moral standard. Leaders only act in the national interest and in order to do so they have to distance themselves from traditional morality in the international field, which only applies within the state. This idea is based upon Locke's argument that the problem of domination has been resolved within the state, through the social contract which offered security in exchange for subjugation to a higher authority. However, Locke also pointed out this lead to men's urge for power, causing constant war between states (Baylis, Owen & Smith, 2011). Classical realism focuses more individuals, whereas neo-realism focuses on the interactions between states on a system level.

Waltz (1979) argued that through this pursuit of power, the international system is guided by the principle of anarchy. States here are unitary actors without difference amongst them, however there is a difference in the capabilities of the states (power), which will determine their position in the system. States hence seek their own preservation and preferably domination. Regarding human nature, Waltz divides human-nature theorists into pessimists and optimists. For pessimists, such as classical realist Hans Morgenthau "war not only has its roots in the heart, mind, or psyche of the human beast, but, more to the point, those roots cannot be eradicated or modified; accepting man's fixed and unchanging capacity for evil, they tend to view domestic and international violence as the inevitable by-products of human existence, mitigated only by the fear of overwhelming coercive authority" (Singer, 1960, p. 454).Waltz acknowledges the classical viewpoint, although he puts the emphasis on his unitary actor approach of the state rather than the influence of the individual. However for optimists seeking to change man and hence prevent war, as he interprets it, Waltz has little patience, as this hardly matches the pessimistic realist concept of human nature (Singer, 1960).

Realists reject the idea of world peace and state that anarchy in the international system will prevail and therefore states will naturally strive for hegemony. This view is represented by structural realism, which argues on a system level that conflict is based upon distribution of power and anarchy in the

system. This on the state-actor level can be split into two streams, defensive and offensive realism. Defensive realism maintains the view that states apply power to maximize security, which leads to a balance of power, whereas offensive realists argue that states always strive to maximize their power. The third wave of realism, neoclassical realism, shifts back to the individual level, and focuses on the actions of the state-leader and opposes structuralism in the view that states can be treated as units, which all handle according to the same principle (Baylis, Owen & Smith, 2011).

The main concepts from realism are statism, a state-centered focus (lack of importance of non-state actors), self-help (in the anarchic system states have to rely on themselves to survive) and connected to this, the survival of the state, for which power is essential. As states strive for power and dominion, this is a self-reinforcing concept, because in order not to be dominated states need power, however if states have power they will want to dominate other states. Power in this regard can be seen in terms of military hard power. Opposed to this is the liberal concept of soft power (Held, 2004), claiming that states through attraction and persuasion gain power over others. Held states that:"when you have succeeded with hard power the normal thing to do is to try and turn it to soft power." (2004, p.11) Economic power relates to the concept of soft power, which realists however connect to military power, stating that one can not function without the other. This system in which states have to help themselves, working towards their survival and security will at the same time work towards more insecurity for other states, as the other state will be uncertain regarding the motives of the state (due to the reinforcing power play). This uncertainty between states is called the security dilemma. According to structural realism this ultimately leads to the balance of power, for states will want to form alliances to protect themselves. Classical realists will emphasize the role of state leaders in this process.

1.2 Liberalism

Liberalism maintains the view that there is potential for cooperation out of motives of self-interest, that institutions contribute to reduce uncertainty and that national boundaries transcend through globalization. The core principles of liberalism are equality, democracy, property rights and free markets (Baylis, Owen & Smith, 2011). Liberalism argues on the individual and state level that the identity of the state determines the outward orientation of the state, where they draw a parallel between the individual and the state. Applied to international relations the main aim of liberalism is peace and order on the global scale. The main ideas are democratic peace, institutionalism and collective security. Liberalist thinkers have a strong preference for democracy, which we can find back in the idea of democratic peace, which asserts that democracies do not wage war against each other(Baylis, Owen & Smith, 2011). Liberalism can also be referred to as idealism. However, this applies mainly to

the classical branch of liberalism focused on ideals of democratic peace and collective security. Institutionalism in this sense will argue that institutions matter and bring peace. However, revised neo-liberal institutionalism has a more pragmatic liberal approach and hence can no longer be referred to as idealism.

Neo- liberal institutionalism focuses upon economic cooperation between states, where institutions provide the mechanism through which this cooperation comes about. They do so by increasing transactions and thus the interdependence between states (Marsheimer, 2004). Institutions also reduce the transaction costs by reducing costs of making and reinforcing agreements, in addition they diminish the uncertainty by enhancing the transparency of transactions (Keohane,1998). Realists, such as Mearsheimer (2004), criticize institutionalism and state that it ignores relative gains concerns, which have to be taken into consideration, for economic advantage easily leads to military advantage. Keohane (1998) argues this might be overcome through multilateral agreements, a view realism rejects for it claims relative gain considerations will always get in the way of cooperation (Mearsheimer, 2004). Realists point out the democratic deficit, where they argue that powerful states are in control of the institutions and that decision-making is elite driven. This leads to resources being unequally distributed, resulting in more inequality at the global level. Furthermore the role of non-state actors to influence decision making processes is minimal.

The idea of collective security implies, as the name suggests, that the states work collectively towards global security. This connects to institutionalism, as the institutions manage the organization of this. The difference here is that it does not focus on economics but on the military aspect and puts the interest of the community over the self-interest of states. The concept of intervention and the responsibility to protect is based upon this. Realists however argue that fear of anarchy is too high for states to trust each other and claim as Mearsheimer writes that: "States are not very likely to place their fate in the hands of other states, but will prefer instead the realist logic of self-help." (Mearsheimer, 2004)

1.3 Neo-realistic and neo-liberal takes on cooperation

The disagreement on the concept of cooperation and the security dilemma is in particular manifested in the difference between neo-liberalism and neo-realism. Liberalists argue that states involved in economic transactions with other states, will have economic benefits from this transactions. Realists however, argue that there are major obstacles involved, which hinder state-leaders in signing a treaty leading to this cooperation. This involves the security dilemma, which leads to the issue of relative gains over absolute gains. The argument entails that state leaders meeting to discuss business, will

dislike the idea if any one of them were to profit more from the deal than themselves and would want to avoid this to all cost. Even if this would mean to miss out on the profit and leave the meeting empty handed. Latter would still have their preference over having the other state benefit more from the cooperation then them. Secondly, the sole fact that the other state will have some benefit, even if it is economically, is worrisome for the cooperation partner, as this would mean the security threat this other states presents would be expanded. Simply put: the more money a state has, the more money it has to buy weapons and other warfare inventories. As pointed out, neo-liberals point out that this could be overcome through multi-lateral agreements rooted in institutions, as institutions make the deals more trustworthy and actors will be less worried about the gains of separate member states by the multitude of states participating. Here the main incompatible point of agreement is reached, which is the disagreement of the role of institutions, which according to realists due to the democratic deficit and lack of non-state actor influence mainly reflect state power, while liberals maintain the view that through institutions cooperation can be reached and kept. This is roughly the discussion which will take place on European level, where security concerns is no longer of significance and it is already proven that cooperation is possible. The discussion now focuses on the question to what extend integration is possible, the difference between the main theories is likewise the role of institutions. However, while in Europe the main discussion still largely is focused on this aspect, in international relations the discussion has meanwhile moved forward with the emergence of new theories, such as (social) constructivism (Littoz-Monnet, 2010, p.3).

1.4 Constructivism

Constructivism can be seen rather as a way of thinking than as a theory, therefore it can be said to be idealism in the scientific sense, stating that ideas play a serious role in world politics, opposed to idealism in the sense of Woodrow Wilson and the League of Nations, which is significant for liberalism. As the name implies, constructivism argues that reality and hence social facts are not given but constructed. Identity, interests and notions of anarchy and enemies, according to this theory are all a question of interpretation. State interest is created, constructed and transformed by global-historical forces. Structures construct identities and interest. Existence of social facts depends upon human agreement produced through historical and cultural bound knowledge (Baylis, Owen & Smith, 2011). Facts hence can be created, which can be done mechanically through human discourse. Finnemore (2001) describes this as the norm cycle, where certain visionary persons create the norm and attempt to make elites and states embrace the norm until a critical mass is convinced and will spread the norm. They will then be imitated by the rest, the norm will become internalized and taken for granted. As opposed to realism constructivism does reject idea of objective knowledge. It does acknowledge that realist thought has been dominant in the past, but should now be replaced by new thinking focused on

communitarian norms of which institutions form the core "as its central aim is to alter the constitutive and regulative norms of the international system so that states stop thinking and acting according to realism." (Maersheimer, 2004) Realists in response claim that conflict and realist thought have indeed been the main feature of global politics, and therefore is the only human discourse (ibid).

1.5 World System approach and dependency theory

Just as constructivism, the world system theory is rather an approach than a theory, and although it is not strictly an international relations theory, it is certainly significant. The world system theory is inspired by the dependency theory. Dependency theory divides the world according to a mode of development in core and periphery, the core consisting here of the developed world and the periphery of the developing third world. The claim is that the periphery is subordinate to the core and through the inability to autonomously develop is dependent upon the core. World system theory operates on a system level and adds a third element in the form of the semi-periphery (Reyes, 2001), which can be seen as states which are on their way to become developed. States here are considered elements within a system (Sorinel, 2010), which overlaps slightly with Waltz' interpretation of states as unitary actors within an hostile system. As states are considered mere elements this allows for upward and downward mobility of the state within this trimodal system. Central to the positioning of a state within the system will be the extent of technology a state possesses (Martinez, 2001). This can be coupled with Waltz' interpretation of power of the state being determined by its capabilities, as economic power (depending upon the mode of development of a state) overlaps with political power in the realist view of security concerns. The world system theory focuses upon historical dynamics and trends which explain changes in the system (Reyes); in this it is not static. Although the world system theory is mainly applied with regard to economical development and how the role of development influences the relation between states, it can however also be applied as a theory of international relations.

1.6 A Constructivist World System Approach

Constructivism states that views of international relations are subject to interpretation and will be interpreted depending upon existing norms in the world. Actors according to this act subjected to interpretation and hence act according to the existing norm. The norm on its part is subjected to change, which will come forth out of ideas. The world system approach introduces the idea that the world is a system which contains different systems within the world, whose interplay forms the overall system. If we accept these approaches, it can be argued that combined they state that within the world

we can observe different norm systems which determine the way actors interpret international relations and thus the way actors will act within a system and in relation to other systems. This would imply a split of the Waltzian system, introducing the concept of several systems acting according to several norms. Norms however, are not solely limited to a single system, but can be transferred from one to the other, in this regard we can observe an elite system, which acts as a norm creator. Likewise, non-state actors exist within the systems, who could function in more than one system (as they are not locked to a state entity within one of the systems) and have the ability to introduce common norms. In that way they could possibly work as a mediator and connection between norm systems. That is, if they are significant enough to have an impact or in constructivist terms, if they can create a norm in such a way that this significance is attributed to them. The question is how the systems and norms are divided if applied to the theories of international relations in the current system.

1.7 A Constructivist World System Approach of International Relations

1.7.1 The Norm

Rousseau's claim that humans are in first instance selfish seems likely to be true (Rousseau, 1782). However, this would rather affirm than negate the claim that humans, being the self-interested actors they are, will cooperate rather than oppose each other. States wanting to survive are logically a reflection of their citizens wanting to survive. As long-term survival is being guaranteed by cooperation rather than opposition and we should learn this through experience, eventually a repetition of experience (Hume, 1748), which on the individual level (as in nature) are fights and on state level war, individuals and ultimately states wanting to survive should learn by experience that it is in their best interest for that reason to cooperate. It might be argued that we do not learn from experience and repeat mistakes, however this should indicate that the consequence of the mistake has not been severe enough to prevent repetition. A threat to our being, such as in fights or times of war, should be of such severe consequence, that the learning process will be successful. The individuals have grasped this and because of this have been able to unite over time into the state, however within the state the learning process has become more complicated, through instabilities and change of governance over time. Also, the link between survival and cooperation is more complex than between individuals in a direct fight. Furthermore the experience should be a severe enough threat and will likely only exist in the form of war, as economic consequences of non-cooperation will unlikely be as severe

The assumption that individual actors and to less extent state actors realize that cooperation is in their long-time interest opens the possibility that the realist norm of anarchy in the international system can be changed and it likely did change. Waltz acknowledges that his theory is based upon this notion of

anarchy and self-help within the system. This "system" however can not be viewed as a self-maintaining entity but is a product of arranged groupings of individuals. The system therefore is determined by actions of individuals, however Waltz would also argue actions of individuals are determined by the system. However, change in first instance will come from individuals and then reinforce itself within the system.

If we apply the argument that ideas change the system, the most profound changes have come about through the idea of rationality, which has led to the implementation of democracy in the world and created liberalism. If we observe history, we can see that for example in the Roman Empire, the Persian Empire or any former empire of substantial size and influence, war was a way of governance. However nowadays, human life is guided by the universal principle of rationality and welfare and so is the governing within the state and not just within singular states, but in a plurality of states. War is no longer a way of governing. Thus, we can speak of evolution of governance through the change of norms and values. Human life has gotten a more significant meaning, so significant that it has universal rights attached to it, or at least for those that share this liberal norm. This norm presented by liberalism is thus the norm of rational governance, which constrains power through democracy and aims to provide the maximal amount of wellbeing of those in a state. This should prevent warfare and foster cooperation. States who share this norm will no longer fall under the system of anarchy and self-help, but will live in a far more liberal system. This is the dominating norm of our time (Ikenberry, 2004), however not of earlier times, where the realist norm was the dominating norm.

Democracy constrains power within the state and enables it to function rationally. Rational state actors are more unlikely to engage in war and will therefore not act as aggressor, because as pointed out cooperation instead of war appears the more beneficial and thus rational thing to pursue. Whether democratic states, such as the liberal idea of democratic peace entails, never wage war upon each other (Baylis, Smith and Owen, 2011) is the question, however it can be assumed that properly functioning liberal democracies will not act as aggressors in the sense that they will wage war motivated by expansion drift and power. A democratic state will engage in war with another state, when it believes it is a threat, which another democratic state based upon the logic explained above should not be. Furthermore, liberal states will more likely cooperate with other states, because based upon the same logic their leaders will make objective decisions aimed at maximizing their citizens'/clients' satisfaction (as their citizens could be viewed as clients, because their vote puts and eventually keeps the leaders in their place). In the same fashion as companies governments will have to keep their clients happy for the sake of maximizing their own profit, which in the case of state leaders consists of being elected or not (Tanter, 1969) . The dynamics here work in both ways. If the government acts

well and maximizes the wealth and well-being of its clients, they will not only vote for them, but also be able to generate more profit (taxes) for the government, which in turn again will even better enable the government to keep their clients satisfied and to be re-elected. This corresponds with the concept of selectorate theory (De Mesquita, Morrow, Silverson and Smith, 2004), which makes a difference between the public good (benefits all in the state enjoy) and the private good, which is only reserved for what is described as the winning coalition, those in power. In democracies the winning coalition is big, while in an autocracy it will small. In consequences the winning coalitions in democracies largely pursue the public good, while autocracies largely private benefits. Based upon this it is argued that victory is essential for democracies engaging in war, for victory should outweigh the cost to the public good of war. However, as autocracies do not pursue the public good, the importance of victory is less. This leads to the following claim:

"If the prospects of winning a war are very good, then any leader is willing to fight, if prospects are not very good, then small coalition leaders may still be willing to fight according to the selectorate logic, but large coalitions are more likely to avoid war in the first place and seek a negotiated settlement of differences with their foe." (De Mesquita, Morrow, Silverson and Smith, 2004, p.368)

Leaders in democracies in these instances will back off, because these leaders are elected and need to respond to their subjects, while other potential leaders are ready to take their place at any moment. The pursuit of the highest public good or satisfaction forms an incentive for leaders to act rationally and on top of avoiding costly wars pursue cooperation.

The extent to which this liberal norm is applied in the present is varying. Liberalism is a western concept, developed during Renaissance and hence mainly represented within the western world. The west and the western liberal norm currently have a dominant position in the world. That's why the western norm is to a varying extent, depending on the location, represented outside the west. Based hereupon, it can be argued that the west has acted as an elite to spread the norm (Finnemore and Sikking, 2001) by applying soft power of persuasion and attraction, assisted by international western institutions. Several states such as China and other Asian states have developed their own version of this norm in combination with their own norms, with economic success. China, for example being undemocratic, demonstrated to be able to limit governmental control and follow the norm of rational governance in regard to the economic well-being of its subjects. However, as the power of the government is not constrained, it is likely to show irrational behavior, such as several dictatorships or for example a state with very deviating norms such as Iran. Rationality has also led to the acknowledgment that expansion of the state through imperialistic means is not the most efficient way towards benefit. Cooperation seems cost-friendlier and easier to maintain.

In conclusion it can be stated that humans started as individual realists in nature, who grouped together into individual states; through experience and observations other ideas have been developed and increasingly spread on state-scale and over time, in particular through the severe learning experience of World War II, led to the implementation of a different norm, which more efficiently provided survival and would increase the well-being of states. However, the liberal norm of cooperation will work only between states who share this norm.
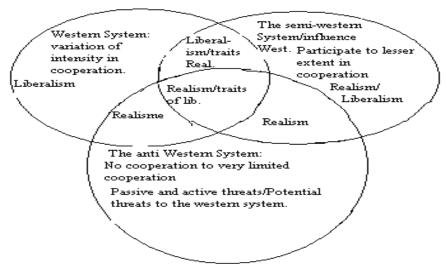

Figure 1. Division glob. pol lib/real

1.7.2 The system

The shared norm and the extent to which it is shared will group the states into different systems. The system according to this can be split into a threefold system, presented above. Here we can observe the western system, which forms the core of the new world order as we have argued above. The system of rational democratic governance is rooted in the western world, with until recently had the US as uncontested leader. Within the western system, which consists of the European Union (with Switzerland and Norway), the United States, Australia and New Zealand, we can observe a system of a liberal order with democratic peace, collective security and international institutions. Within this system, Keohane's theory of institutions and economic gains mentioned earlier, outweighs Mearsheimer's relative gain concerns, as trust in the institutions is sufficient, security concerns do no longer play a role. Then we can observe the semi-western system, which is under influence of the west and participates in many of the same institutions and the same agreements. However, this differs highly from state to state. Cooperation here is more problematic and relative gain concerns and realist

thinking will reappear. We can here observe states as China, Russia, Japan, which have a peculiar relationship with the western system. Culture and historical feuds play a role. The same goes for Latin American states, which do not fully fit into the western system, because of huge discrepancies in relation to stable governance and the economy. In the contact with western states however liberal thinking will be dominant, as their contact will stand under the liberal influence of the western states. Examples of these are the WTO and the UN. However, more caution between western and semi western states will be maintained and trust is lower then within the western system.

The third group consists of anti-western states, who do not share the principles of liberalism and democracy and hence they are unfit of the western model of rational governance. Clear indicators of threats are failed states, who completely fall out of the system, which are however an extreme case. Dictatorships are other potential dangers, hence the peculiarity towards China, which does not fit the anti-western states, because as mentioned it seems to function according to western values, however exactly because of it's form of dictatorial governance can not fall under the western state system. States viewed as irrational and potentially dangerous according to western norms, such as Iran and previously Iraq and Afghanistan (which have been invaded exactly for this reason) are other examples of states which will always within their system with likewise states act according to the principles of realism, as well in their relation with western states. Cooperation is highly problematic and misses long lasting ground. These states are likely to be viewed by other states as threats or potential threats.

States can shift between models, as the West under American hegemony is (or was) promoting its norms and states might either fully adapt the norms or parts of it. Arguably semi-western states, such as Japan, approach the western model very closely and could theoretically fit in. Arabic states, due to their difference of norms, are likely to shift between the semi-western and anti-western mode. Former eastern European states have shifted from anti western to western (as we can observe in Eastern Europe) and even Russia itself, once the ultimate anti-western aggressor, has become to some extent semi-western.

This western dominated world system is based upon the American and hence western dominating position in the world, which arguably is changing. It is argued that western hegemony is fading and the world is becoming a more dangerous place (Gillespie, 2011). The question is what shape the new system would have. Will it lead to renewed realism between semi-western and western states, will semi-western and western states merge and form a front against anti-western aggressors? How will the rise of certain semi-western powers such as China and India affect the western alliance itself, will the West be removed from its position of world dominance? Will the "return of traditional nation state's

naked ambitions, the emergence of seven major powers all vying for status and influence, a rivalry overlaid by new forms of the old competition between liberalism-autocracy and by an 'ever older struggle' between radical Islam and modern secularism, all ushering in an age of divergence" (Howorth, 2011, p.11), mean the downfall of the dominating liberal system of rational governance? Not necessarily, as by now, experience might have taught us that implementation of the realist norm certainly will not make us better off. Another possibility would be that: "The crisis of liberalism today will ultimately bring forth 'more liberalism'. This is true if by liberal order we mean an open, rule-based relations system organized around expanding forms of institutionalized cooperation. The United States and other Western states may rise or fall within the existing global system but the liberal character of that system still provides attractions and benefits to most states within it and on its edges."(Ikenberry, 2004, p.4)

1.8 Cooperation and integration

Cooperation takes place in the liberal system, to less extent in the semi-liberal system and between states of the liberal system with states of the semi-liberal system. Cooperation with states of the anti-liberal system is of little significance and very limited, cooperation within this system is unlikely and if it occurs, it will be in the form of a short-term alliance to ensure a specific or short fixed goal.

As states in the liberal system share similar goals and interests, it is a logical consequence that instead of combating each other, they will work together to achieve their goal. The extend to which states have the same goal and same approach of reaching this goal, will determine successful cooperation and the initiative to cooperation. Self-help moves along this spectrum to mutual help, through international partnerships. Rational states acknowledge that other rational states will not form a threat to their survival for they are both rational and they both know this will do no good for them. For this reason they perceive irrational actors as extra threatening, for they collide with the western system and might form a danger. In first instance through dialogue and international agreements, which creates dependence, the threat will tried to be lowered. Examples of these are the UN or the IMF, which form mechanisms for cooperation and/or dialogue between all sorts of states, including illiberal states. Inclusive organizations like these and international agreements are ways how states can move on the spectrum from anti-western to western.

Mechanisms for permanence are established through rules rooted in institutions, which create a mechanism for more cooperation. Now the question arises what in this regard is cooperation and what is integration? Cooperation in this sense entails to work together according to mutual agreement, integration entails to mutually adjust and adapt to each other or as federalist theorists assume, the "definition of integration simply is combining separate parts into a whole" (Dosenrode, 2010, p.10).

This Integration implies the loss of sovereignty in an area. Integration does not necessarily come forth out of cooperation, because cooperation refers to voluntary coordination, integration not necessarily. Napoleon's Europe is a good example of classical integration (in the imperialist sense), where coordination was forced and led to integration between the states. Cooperation can be transformed into integration, however it does not necessarily, while integration can advance without previously speaking of cooperation. Therefore, both terms do not necessarily exclude or include each other Voluntary regional integration will entail a "transfer of separate communities into one community and will distinguishes itself from mere cooperation, with the implementation of a supra-national decision making organ" (Dosenrode, 2010, p.4). This distinction based upon an interpretation of the importance of the supra-national decision making organs, is what constructs the current EU debate. The liberal norm has already been constructed, now specification becomes important.

The point made so far is, based upon constructivism, that ideas impact actors and determine according to what norm they justify their actions and based upon combining world system theory and realism, that the world can be grouped in several systems. However, the realist assumption that this system is static is refuted based upon historical dynamics of change. The constructivist notion that change will come about from ideas is maintained. Through the learning process of experience we determine what ideas are the most beneficial to us. In the realm of the world system, this in the first place comes down to a question of survival and in the second place to ensure other benefits. After the introduction of liberal rational thought in 18th century, it has taken another two centuries of experience before the liberal idea became a dominating norm within the western system and slowly has spread. As adapted from world system theory, it is argued that nowadays we can identify three different systems, the western system , the semi-western system and the anti-western system, which respectively function according to the norms of liberalism, liberalism/realism and realism. Because it is implied that the liberal western norm, based upon rationality, is the dominating norm for relations within this system, it is argued that cooperation is made possible through this and will be most successful within the liberal western system. Furthermore it is argued that the more similar states are the more intensive cooperation can be. Within Europe states have become that similar that cooperation is self-evident and the question of integration arises. Therefore in Europe a specific system can be observed, determined and maintained by the dynamics of integration.

2.Theories of European Relations

The theoretical framework of European integration has as argued left the notion of realism behind, as security concerns have no longer proved to be obstacles. The main discussion now continues between adapted versions of neo-liberalist thinking. The main theories are grouped in two camps, intergovernmentalism and supranationalism.

Both theories are offering different explanations for how integration is happening and why it is happening. However, as Moravcsik, one of the major contributors of the intergovernmental camp, points out the, integration of the EU remains an 'ongoing social scientific puzzle' (Puchala, 1999, p.19). This academic ambivalence connects very well to the general ambivalence regarding the state of affairs in the EU. According to supranationalism the key to this are the (supranational) institutions and the actors behind the institutions. Intergovernmentalists do not believe in this idea. For them integration equals convergence of national state interest through international cooperation, where power to supranational institutions is attributed through pooling and delegating for reasons of efficiency and ensuring commitment (Puchala, 1999). Both approaches are criticized to be inadequate, as both theories lack evidence by overemphasizing their own claims (Bache, Stephen & Simon, 2011). Supranationalists tend to overemphasize the role of transnational society and actors, however lack to provide sufficient proof of the direct outcome on EU integration. Whilst intergovernmentalists tend to focus too much on intergovernmental bargains and fail to deliver proof of intergovernmentalist functioning on a day to day basis. Both camps do not seem to enter into a constructive dialogue, and oppose each other rather than respond to each others findings and incorporate them. 'The manner in which the debate is being engaged, with contenders jumping upon one another's attributed weaknesses while disregarding one another's insights, is less than constructive.' (Puchala, 1999)

It is argued that because of this and the lack of space of improvement, the theories are deprived of their capacity of self-reflexion (Schmitter, 1999). Without this one logically will not be able to improve and adjust the theory accordingly. In the way Schmitter and Puchala present it, the theories offer a very dogmatic one way interpretation of integration and do not focus on areas and examples where their explanations come short and there is room for other theories to come in. 'Any comprehensive theory of integration should potentially be a theory of disintegration. It should not only explain why countries decide to coordinate their efforts across a wider range of tasks and delegate more authority to common institutions, but also why they do not do so or why, having done so, they decide to defect from such arrangements.' (Schmitter, 1999) Supranationalism is theoretically a very

broad concept, which has been represented by a scale of different theories, whereas intergovernmentalism in this aspect has been much more narrowed down to two clearly definable streams. Intergovernmentalism has its roots in classical intergovernmentalism after the idea of Hoffmann, based upon realism, followed up with the liberal intergovernmentalism of Moravcsik which can be placed in between neoliberal and neorealist thought (Gehring, 1996). However, supranationalism on the other hand has a very complex background, rooted in functionalism, federalism and pluralism. It then developed into neo-functionalism and institutionalism, from where it moved to regime theory, regionalization, functional institutionalism and several other theories. Here we will focus on the main theories which have painted the scene in contrast to the intergovernmental scene. However, next to the contrast similarities can be pointed out. According to Thomas Gehring, the only issue standing in between the different theories, is whether institutions matter at all or not (1996).

2.1 Intergovernmentalism

Intergovernmentalism as represented by Stanley Hoffman, maintains the realist assumptions of the role of the state and the international system. In accordance with proponents of regional theories, he states that the EU as regional integration is subjected fully to a global dynamic, and not to an internal, as realists claim. Furthermore his claims were that integration did not and would not root in the area of high politics such as national security and defense and that integration was driven only by national governments to protect and promote national interests. International players are not acknowledged and governments are viewed as the only source of power, supranational power here is a reflection of the national interest of governments. Integration is led solely by the outcome of government decisions and therefore is based on domestic concern, economy and elections (Bache, Stephen & Simon, 2011). In that way integration is restricted by the system of anarchy the states are placed in, according to the realist assumption.

This view however has been surpassed by the influential viewpoint of Moravcsik, liberal intergovernmentalism, which has it roots in liberal bargaining. It also puts emphasis on the sovereignty and prominent role of state leaders, by which it incorporates elements from liberalism and realism. Its critics as stated argue that Moravcsik does not contribute to the debate regarding integration, as he applies a singular focus, merely focusing on intergovernmental bargains, which by definition are intergovernmental and do not explain integration sufficiently. However, the response is easy to imagine, as Moravcsik just as his predecessor Hoffman does not see integration as a phenomenon of its own, contrary to the supranational camp. They both point out that sovereignty remains with the state, and that common policy reflects the interests of the sovereign state. Moravcik however

acknowledges the power of bargaining, however he mainly views the EU as a balance of economic interests between states, rather than real integration in the sense of uniting the states into one entity (Bache, Stephen & Simon, 2011).

Moravcsik in first instance argues that economic interest is the primary drive behind the EU. Peace, sharing of ideals, culture etc. do not play a role therein, except for in speeches of politicians and in the very first phase of integration in the early 1950s. Secondly, according to Moravcsik, the economic cooperation within the EU turned out to be in the interests of all the nation states, which is the only reason governments have chosen to coordinate their economic policies and surrender certain sovereign prerogatives (Moravcsik, 1998). Therefore, integration has only advanced when the commercial interest of governments merged. Moravcsik argued that geo-political concerns are adapted to economic concerns, as economic concerns simply are more important to the member states. The central argument he presents in his book is that the EU is best explained as a series of rational choices made by national leaders, representing their domestic interest. Integration according to Moravcsik's theory has developed through international bargains and institutions were merely put in place to show the goodwill of commitment of the member states.

To explain his theory, Moravcsik applies what he calls a rationalist framework of explanation, applied to international negotiation. Here he identifies 3 causal stages: national preference formation, interstate bargaining and institutional choice. In the first instance national preference is established, which is represented by the member states in the bargains. Once a bargain comes about, institutions are discussed. The rational assumption therein is that within each negotiation, domestic political systems generate a set of stable, weighted objectives. In the bargains, efficiency and distribution outcomes are decisive. By efficiency is meant the extend to which governments exploit all possibilities within the bargain and with distribution is meant how benefits are divided, or in other words who won and who lost the negotiations. According to Moravcsik, supranationalists in their explanation put emphasis on efficiency, while Moravcsik puts emphasis on distribution. Supranational theory stresses the decisive role of leading supranational officials, where information entrepreneurs impose binding constraints on efficiency and distributional outcomes.

Intergovernmental bargaining theory opposes the role of supranational officials and states that governments act as their own entrepreneurs. Negotiations will focus on distribution benefits, which are shaped by the relative power of governments, rather than on efficiency. In the supranational view transaction costs for governments are high, however not for supranational state actors. The intergovernmental viewpoint states that these are not high and therefore do no contribute to the power

of institutions. Supranational thinking focuses on unforeseen consequences which drive large complex negotiations, where supranational actors have privileged positions because of their expertise, neutrality, critical ideas/information. Once an agreement has come about, it continues to drive integration through a spillover process. The assumptions here are that bargaining power stems in large part from generation and manipulation of information and ideas. The costs of those ideas and information are expensive for governments, but not for supranational institutions, which is why institutions are necessary. As Moravcsik sees it, 'the core of supranational theory is an explanation why supranational governments enjoy advantage over states in the generation and dissemination of critical information and ideas.' (Moravcsik, 1998, p.58)

He opposes this by his theory of intergovernmental bargaining. He identifies the concept of asymmetrical interdependence, where the importance a state places on an agreement logically will determine the value of that agreement for that state and his willingness to make concessions. In this regard the state is dependent upon the other states, which might place less value on this agreement and in this stand stronger in this negotiation. The interested government can act as mediator between other governments and hereby fulfill the role that in neo-functionalist theory is awarded to the supranational actor. This distribution of power is issue-specific and defined by asymmetrical interdependence. The transactions costs are low compared to the benefits the deal will bring about.

What will determine the value the governments places on a deal are coalitional alternatives and unilateral alternatives. In other words, the possibility of replacing the potential deal with another deal with alternative countries, or to find other beneficial options within the state itself. Where these alternatives are available, governments will weight both options next to each other. Intergovernmental theory does not uphold the claim that supranational groups have a privileged position regarding information and ideas. As Moravcsik shows, governments act on their own behalf, and manipulation of preferences by institutions does not work according to Moravcsik. Issue linkages, where more issues are linked and hence oversight and preferences get mingled, are limited. To ensure the treaties, governments apply pooling, for example in the Council of Ministers, and delegating, for example through institutions as the Commission, Court of Justice and Parliament. There is no other significance in the institutions than to apply the treaties which are already agreed upon by the member states.

2.2 Supranationalism

The notion of supranationalism, according to Rafael Leal Arcas (2006), indicates a supreme authority above the state, such as in a federal system. The EU however, which from the beginning incorporated

supranational features, is not to be understood as a federal system. The power of the member state has remained very present and a clear tension between the states and the supranational community organs is the result. "What the fathers of the treaty of Rome thought was that by acting as a hybrid structure of decision making, the interest of the community would prevail, despite the strong role of the member states." (Arcas, 2006) The question logically arising in this regard is: has it prevailed, and what exactly is the interest of the community?

2.2.1 Functionalism

Integration theory in general has its roots in functionalism, a stream of liberalism which has developed into neo-functionalism, which together with neo-liberal institutionalism represents the current camp of supranationalism. Functionalism largely is based on the writings of David Mitrany (Bache, Stephen & Simon, 2011) and as the name suggests focuses on functioning of institutions. It is close and similar to organizational (management) studies and could be seen as a method to manage societies in the best way. It proposes a new international order, based on transnational cooperation (Popuviciu, 2010). However, it can not be viewed as a theory of integration, for it does not suppose an end stage to the development, such as is the case with integration (Kurt, 2009). It rather describes an ongoing process of cooperation. The goal for Mitrany hereby is peace. Mitrany opposes the idea of reproducing the state in an international variation, such as through regional federations, for this would only reproduce the same on a larger scale (Bache, Stephen & Simon, 2011).

Functionalism presupposes that all humans are rational and inherently aim for cooperation. States are focused on the needs of their citizens rather than on power as realism presupposes. Hence the goal of governments is: "1) first of all, the creation of equality in front of the law for all the members of the community and 2) second of all, to create appropriate living conditions for all those members – this meaning, the promotion of justice, social rights." (Popuviciu, 2010) Maximizing welfare or the material needs of their citizens is what states are there for. However in the modern state, the nation state falls short in fulfilling its citizens' demands, which will push it towards cooperation. States also cause war with other states through nationalism and therefore are dangerous. To suffice their citizens' needs and prevent war, cooperation between states is required in the form technocratic international agencies managing social and economic policies (Umit, 2009). Governments need to place authority in functional agencies of experts with authority limited to their area of expertise. These agencies will form a transnational network, through which, rather than taking sovereignty away from the state, a high degree of interdependence is developed (ibid). In the process of planning organization plays a huge role. Aside from a corporate structure of organization, a democratic structure of coordination is

necessary, in order to hear the voice of the people in regard of what functions are required. The aim is to bring together opposing sides and develop a collective understanding of issues which will lead to a method to live together peacefully (Popuviciu, 2010). Mitrany's logic can be traced in international organizations such as the several bodies of the United Nations (Tanter, 1969), while the ultimate goal of the UN is peace. As soon as the governments have shifted authority to international organization, loyalty also transfers with this to the international organization, which will make war more unlikely. Furthermore, through interstate-cooperation interdependence is created, which also will make war less attractive (Umit, 2009). These features we can observe in international cooperation. The more states cooperate with each other, the more they become dependent upon each other, the less the chances are that they will wage war against each other.

At this point the spill-over effect is introduced. As argued by Mitrany, states having shifted authority to technocratic experts in one area soon will see extend this area through the internal dynamic of cooperation and as it touches other areas create more and more agencies of expertise in order to maximize the welfare of the citizens (Umit, 2009). This idea of interdependence and spill-over mechanisms have developed into re-occurring concepts in supranational theories. However, the main difference is that functionalism as pointed out is opposed to a collective institution in charge, such as a regional federalist institution. This would merely extend the problems of the nation state. The idea is that the institutions work together and the states keep their sovereignty. However, if the process continues according to this logic, they will not be left with a great deal of authority, as they gave it all away to international institutions. They have now become so interdependent that war has become impossible and lasting peace and the maximization of welfare for all will be the result. The foundation of the European Coal and Steel Community, in 1951, as the predecessor of the EU corresponds well with the idea of functionalism. "According to functionalism, the creation of integrationist international institutions was seen as an acceptance of the inevitable historical forces that drive the state towards surrenders of sovereignty. In that sense, European integration can be viewed as an inescapable process." (Umit, 2009)

2.2.2 Federalism

The idea opposed to functionalism, which is developed in the same period of time, is federalism. The federalists had a clear goal, which was to turn Europe in the United States of Europe. Sovereign national states in Europe should have been abolished and replaced by an European government. This idea has been presented by Monnet and Schuman, who called for a federal vision of the European Union in order to prevent war (Bache, Stephen, & Simon, 2011). Also Spinelli, a later member of the EU parliament, represented this vision, born out of the Ventotene manifesto, a resistance

movement during the Second World War (ibid). However, this idea of a federal Europe has from the start failed to take off, when the congress of Europe in 1948, which was aimed to discuss the possibilities of a federal state, turned into the intergovernmental Council of Europe (ibid).

Federalism is the ideology of organizing human relations through combined ruling. For a federation to come about, the wish for union among its participants has to be as strong as their wish for independence. States wishing to integrate should be alike and democratic, share basic values, be organized the same way and have the same economic model. The liberal idea is that through voluntary union for the sake of prosperity and security, politics will be bound together by a moral pact. "The act of coming together remains a political bargain, but it is more than just this, it is also based upon mutual recognition, tolerance, respect, obligation, and responsibility." (Dosenrode, 2010, p.10) In this view federalist thought presents a very ideological point of view, with prescriptive norms. It connects well to the idea of liberal peace and security. This idea has been incorporated in their argumentation in favor of a strong and united Europe by Monnet, Schuman and Spinelli. After this the idea was largely moved from the table. Later on, it was wiped away during the meeting for the treaty of Amsterdam (Bache, Stephen, & Simon,2011) and it has evaporated almost completely with the failed constitution in 2005. However, seemingly, nowadays with the crisis it has found new ground in the idea of a two speed Europe, where the Euro countries of the EU could eventually move forward without the rest and assembly under a federative structure (Le Monde, 2011).

However, although federalism in first instance appears to be grouped in the liberal camp, also realist thinkers have developed an interpretation of federalism. Realists argue that when the government perceives a social, political or economic threat from within or outside the state this can lead to the desire to expand to be better equipped to counter the threat. Federalism will occur under the condition that the state wishing to expand desires to bargain without the use of force and when the state(s) involved participate and accept out of equal desire for protection (Dosenrode, 2010). However, as Dosenrode (2010) points out, the aspect of culture is missing in this interpretation, where he adds the liberal point of view that it is a requirement that states will have a common cultural base and are democratic. Still federalism falls short when trying to explain step by step integration.

2.2.3 Neo-functionalism/Neo-institutionalism

Neo-functionalism, as opposed to functionalism focuses upon regional integration rather than universal cooperation and focuses upon the political rather than just functional and technocratic process. However, the central concept is still taken from functionalism, which is the claim that integration in one economic area leads over time to this integration 'spilling over' into other areas in

28

order to fully benefit from the original area of integration (Dosenrode, 2010). However, while in functionalism the emphasis is on horizontal 'spillover' into separate areas of expertise regarding governance, without taking a hierarchy in regard here, in neo-functionalism also vertical 'spillover' from the economic into the political is included. Spillover into the political realm will take place in a similar logic as through functionalism, through shifting loyalties from the government to the supranational (Schmitter, 2004). However, the supranational will be formed into governing institutions, which is where a hierarchy can be identified. Spillover takes place, when the interdependence through original cooperation increases, when a crisis of certain kind drives governments to intensify integration, through the development of a powerful regional bureaucracy (institutions), through the development of independent regional interest. Neo-functionalism includes that integration will have to be in the interest of governments (Gehring, 1998). Member-states here set the terms of initial agreement, but do not exclusively determine direction or extent of subsequent change (Schmitter, 2004). Spill-over falls outside the scope of the government control. In neo-functionalism instead of technocratic institutions, as seen in functionalism, the initial move of integration is stated to be economical, which afterwards develops into the political through spill-over effects. Basically this is what the difference with functionalism entails, hence it can be argued that neo-functionalism in its essence adapted the functionalist model in order to apply a theory of the EU and later of regional integration in general. This argument finds empirical support in the fact that Ernst Haas, the founder, has based its initial launch on the Schumann/Monnet vision of Europe and the take-off of the ECSC, while later he abandoned his own vision with the decline of European integration (Bache, Stephen & Simon, 2011).

Current theories of neo-functionalism are combined with institutionalist thinking in their focus upon the role of institutions and transnational society in the process of constructing supranational governance (Sandholz, Stone-Sweet, 1997). Sandholz and Sweet (1997) describe the position of intergovernmentalism as following: "Distribution of preferences and the conduct of bargaining among governments of the member states broadly explains the nature, pace and scope of integration, and neither supranational organizations, nor transnational actors generate political processes."

With this Sandholz and Stone- Sweet disagree, their argument is that supranational governance serves the interest of transnational society advantaged by European rules, and the more this expands the more supranational governance will replace the nation-state. Through the substantial transnational interest groups they represent, supranational organizations are able to constrain the national governments. However, they acknowledge that simple choice between supranationalism and intergovernmentalism

does not suffice. Intergovernmental bargaining and decision-making plays a role, but this is embedded within the supranational process, as governance in the EU is more and more shifting towards the supranational level. The supranational process is created through transnational societal demands and the logic of institutionalization. Transnational society emerges out of the modern state, which can not fulfill all its citizens' needs. Transactions across borders begin, supranational society emerges and grows and with this growth a demand for European rules, coordination and regulation comes about. This in turn will reinforce growth of supranational transactions, which in turn will lead to even more increased demand of organizational capacity. This according to Sandholz/ Stone-Sweet (1997) provides the subject for the intergovernmental bargains, which are responding to the growth of transnational society and under influence of interest groups. Hence they state that intergovernmental bargains are the product of integration. If transactions increase, so do the costs for governments who do not participate in transactions, due to disparate national rules, which is why governments will adjust to supranational rules.

They (Sandholz, Stone-Sweet, 1997) identify the following supranational dimensions: EC rules, organizational institutions and transnational society. As pointed out, with the increase of transnational society an increase in the other dimensions follows, in order to accommodate transnational society, which is how spillover works. Transnational actors will seek influence over supranational organisation, fostering expertise and legitimacy of international organizations. With this loyalties shift from national governments to transnational government. This process of institutionalization in the EU is an ongoing dynamic process. New rules will be created and adapted through dispute over the rules due to insufficiency of rules when spillover occurs, which in turn will lead to the creation of new rules. The speed with which this will occur will depend on the extent with which transnational society increases.

This also explains why certain areas have developed more rapid than others, as the demand has mainly been focused in low political areas (economics) rather than in high political areas. Therefore mainly the economic areas have developed. For example the lack of integration in foreign and security policy can be explained by the low societal demand in this policy area.

The more rules there are and the more specific they are, the more integration proceeds and hence the more difficult it becomes to undo it. The rules move beyond control of the governments and constrain the governments, as several cases where the European Court overruled national legislation show. This is pointed out as path-dependency: "Once institutional and policy changes are in place, social actors adapt to those changes, frequently making substantial investments in the process." (Sandholze, Stone-

Sweet, p. 302) It is argued that this is an inherent process, subjected to the dynamic of institutionalization and path-dependency, integration therefore will continue to unravel and will not be undone. As summarized by Tsebelis and Garret (2001), what matters to supranational theory is the idea that institutions play a powerful role and that the process is self-reinforcing. Institutional choice and influence have to be taken into account, which constitutes the main difference to intergovernmental theory.

2.3 Transnational society

A strong emphasis within supranational theory is placed on transnational society and how this has enhanced integration. Transnational actors can consist of businesses, NGOs or basically any form of cooperation or exchange across national borders. Generally speaking, this does not necessarily have to be relevant for politics, as transnational society or globalization is hardly anything which is a new phenomenon. Transactions/contacts across borders of states are older than the Westphalian system of the western nation-state itself. This is not a static world of states, they have changed constantly and most likely will continue doing so. First of all, nations are not always captured within states, the life of a person does not take place in the same state for all his life. This has not been the case in the past and neither is now. Migration, international trade and other forms of exchange have always been present, however through the improvements in infrastructure they have become easier and hence logically have increased. These streams of transnational actors only begin to matter in a political sense, which is interesting for international relations, when they collide with political streams of exchange, engage politically or overlap with international state activities, which is what we can to some extent observe in international institutions where non-state actors and state actors come together.

Where transnational society seems to have had political significance and participated in creating cooperation between governments, is in the economic realm. This would connect to Moravcsik's theory that what matters are economic interests; if there would not be cross-border transactions by businesses, state-based cooperation would not make sense. Private enterprises constitute transnational interest groups. State-led enterprises likewise participate and intermingle in their participation with private enterprises. In the EU transnational society has consisted roughly of national actors with the same transnational interests, who have worked towards the coming about of the EU. The main players in EU integration have consisted of single prominent personalities (Churchill), private European organized groups, parliament collaborations and party connections (Mitten, 2008).

2.4 Integration and Cooperation within the EU

The real difference between integration and cooperation as pointed out by many (Gehring, 1998 and Howorth, 2011)) is a difference between semantics. Do institutions matter? If yes, we should speak of integration, if not of cooperation. However, as the difference is pointed out as having the supranational aspect or not, we can identify a circle argumentation here. The same circle logic seems to apply to the question of democratic deficit in the EU (Bache, Stephen, Simon, 2011). If the institutions do not matter, democratic governance hardly matters, however it is also argued that institutions do not matter, due to the democratic deficit (resulting in dominance of powerful member states). Intergovernmental bargains do not exclude the importance of transnational actors and spill-over, as these would influence the interests of the governments. The real difference between views comes down to the question of the role of supranational institutions, which will depend on the supranational governance we can observe in the EU. However, as integration history and current events show, the powers of the supranational bodies are not linear, they have increased and decreased over time and over area of governance. It is argued that nowadays with the crisis and the decisions made to levy the effects, intergovernmentalism has regained strength, an example could be the dominant role Sarkozy and Merkel have played (Bendiek, Lippert and Schwarzer, 2011) in the recent budgetary and fiscal pact. The value attached to supranationalism or intergovernmentalism depends upon the norm which prevails in a specific state within the EU. Several states in the EU share these norms and can be grouped accordingly. Federalists and institutionalists further add that in order for states to integrate a degree of sameness is required. Hence the more commonalities a state has with another state the more likely the state will pursue integration, which on the EU level means that the more commonalities certain EU states have with each other the more likely they are to pursue more intensified integration. Relationships between these states will likely be guided by a supranational norm, whereas towards states they do not share commonalities with the intergovernmental norm is maintained. Constructivists would argue that supranational institutions shape an EU identity which spreads the supranational norm (Bendiek, Lippert and Schwarzer, 2011), which is logically contested by those who do not attribute importance to the institutions. However, if the view is maintained that institutions matter, it is argued that through integrating the EU states create sameness which spills over into more sameness, which can gradually implement the supranational norm over the intergovernmental norm, as is observed through the shift of realism to liberalism.

3. The Future of European Integration Models

As mentioned the EU has entered an evaluative and decisive phase. Recent turmoil surrounding an eventual Greek default and so-called „grexit" scenarios (Volkskrant, 2012), followed by further southern instability have put the overall functioning of the EU under scrutiny. After the so-called Merkozy alliance has ended due to French election results, divisions seemed larger than ever. However, Greece has so far remained within the EU and within the Eurozone. Moreover, the general southern debt issues have seemed to revive the federal scenario of Europe to some extent, as stated by Guy Verhofstadt in a recent speech: "We absolutely need a United States of Europe" (Verhofstadt, 2012). As many others he has criticized the founding of a monetary union without putting proper fiscal institutions in place and finalizing the economic union, this of course notwithstanding the fact that at that time this would probably have been unthinkable and not up for discussion.
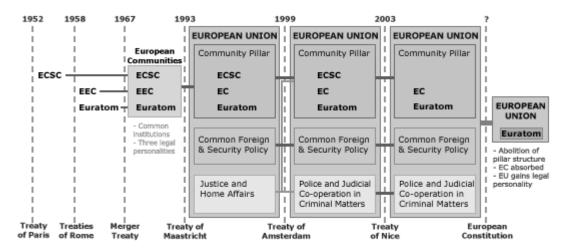
However, now that the Euro is already firmly rooted in place, from an integration fostering perspective the crisis could be viewed in a positive way, as a stimulus. For several prognoses have been made, indicating that as a result the Eurozone will speed up the deepening of the EU. Verhofstadt has just produced a report outlining possibilities for further integration and even a more political Union. It has even been the main topic of a recent EU summit (European Council,2012). The outcome has resulted grossly in the following compromise: more money for Spain and Italy in exchange for more budgetary and financial supervision. As this centralization has direct consequences for state sovereignty, this is not at all an unimportant step towards an eventual political Union. Furthermore, also the provision of more democratic accountability will be foreseen in future discussions of the 'future EU'. The results are still very uncertain however, with the recent opening of the permanent bail-out fund hand in hand with the introduction of ECB supervision, the trend is set more in the direction of further integration than disintegration (Economist, 2012).

Nevertheless, with the French contradictory position of solidarity vs. sovereignty colliding with Germany's urge for austerity and discipline and fading feeling of solidarity, the future construction of the EU will be far from certain. What is clear is that different states have different expectations and wishes for their role in the EU and the role of the EU in regard to their state. Among these states we can indentify groupings which to some extent have similar expectations and therefore similar approaches towards integration. This also means that between these groupings we can observe differences, which is most prominently displayed in the difference between the Euro and Non-Euro states. This has led to the concept of differentiated integration within the EU, meaning that several states want integration in different manners and the EU will not have a straightforward structure. This would help to incorporate all the problems and complexities, however it could lead to a loss of cohesion and result in an even more chaotic EU. The overall question arising from this is what

possible structure the future EU could have. In order to make an assessment of the future, an understanding of the past of the complex and problematic integration process is required.
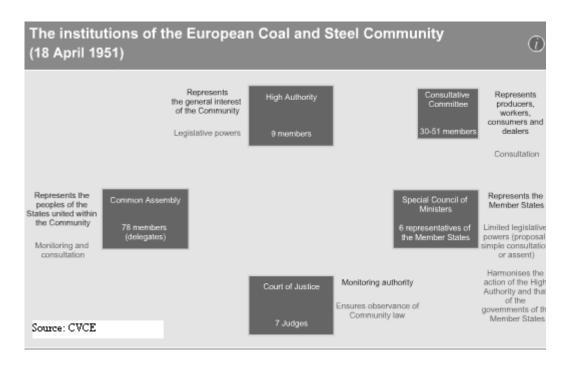
3.1 EU integration
The EU, as we know it, has come about through a series of treaties, initiated after the WO II. After the war,

Europe was economically and politically damaged and supported by the US through the 'Marshall plan'. Therefore Western Europe stood under significant influence of the United States, which was interested in a strong Europe against the USSR threat (Mittag, 2008, p.59). Hence they strongly promoted the reintegration and common market of Europe. However, in first instance the states did not seem willing to give up their just regained independence and especially France wanted to keep Germany permanently weak, which in 1947 resulted in the compromise of the Organization of European Economic Cooperation (OEEC). A year later the Western European Union was created. However the Nato and the evolvement of the EU made this organization superfluous and after the Cold War it died a quiet death, to be declared defunct in 2011 (Dinan, 2004). Then in the following year, 1949 Churchill gave a speech promoting the federal idea of an united states of the Europe (Mittag, 2008), resulting in the creation of the Council of Europe, which should lead to unification, however turned into a intergovernmental council and nowadays is mainly concerned with human rights.

However, Churchill's speech is considered together with the later speech of Robert Schuman in 1950 (then French foreign minister) as the onset of the EU (Mittag, 2008). In this speech Schuman proposed the coupling of German and French resources, which resulted in the establishment of the European Coal and Steel Community (ECSC) with the Treaty of Paris in 1952. It was the first in a series of
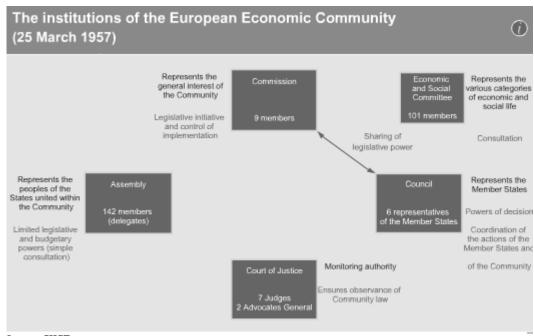
subsequent treaties leading up to the EU. The question occupying academics is whether security concerns here played a role, as the coupling from resources (especially resources such as coal and steel needed for warfare) would make war between the countries part of the treaty impossible, or whether economic benefit resulting from this was the main concern. The speech indicates security concerns played a role, however the subsequent development was headed rather in economic direction. Federalist and neo-functionalist thinking accompanied the EU at this stage. The ECSC treaty included France, Germany, the Benelux-countries and Italy. Britain abstained, as they could not find themselves with the idea of a supranational authority accompanying the treaty. As the name suggested, the treaty created a European common market for coal and steel based upon supranational governance. Supranational institutions were implemented at this stage: a high authority which developed later into the European Commission, which exercised legislative powers, the Common Assembly, which later developed into the European Parliament and exercised supervising powers over the high authority, the special Council of ministers, which functions in a likewise manner nowadays and consists of ministers of member states. Finally the Court of Justice was introduced, to ensure the correct implementation of ECSC law and nowadays EU law. Apart from this there was a consultation committee, which represented specialists. In the following scheme an overview of the institution at the time of the Treaty of Paris is presented (Mittag, 2008).
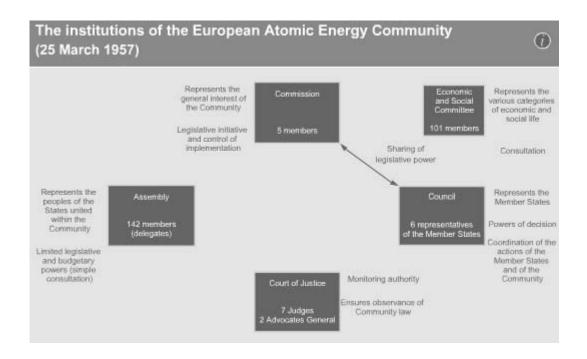

In 1950 under American influence, a plan was proposed for a supranationally controlled European defense, named the European Defense Community. The treaty was signed by the same countries as in the case of the ESCS treaty, however it ended in 1954 with the failed ratification in the French

Parliament. With this the most powerful geopolitical European impetus and hence step towards a federal Europe came to an end. The EDC together with ECSC should have been part of the European Political Community, which however has been abandoned with the failure of the EDC. The idea of the EDC has been revived by the current Common Foreign and Security Policy, but the extent of cooperation foreseen in the EDC has not been accomplished till the day of today (Mittag, 2008, p.99-104). Instead, this has become a very grey area in the EU, with ambiguous integration plans. Further integration instead has mainly focused upon economic aspects, with the aim of applying a step by step economic approach, which should eventually result in a political union. However, as current problems show, the results have been of dubious success.

After the failure of the political union, leaders succeeded in establishing the EEC (European Economic Community), including a twelve year transition period from common market to a customs union. Also enlargement was foreseen in the EEC. Another treaty, focused upon atomic cooperation was introduced, EURATOM, a remainder of high political ambitions, which till the day of today has only been of marginal significance. The Assembly and Court of Justice were extended to the EEC and EURATOM. In addition the Commission was introduced in both the EEC and EURATOM, consisting of respectively 9 and 5 members, who should ensure that treaty provisions were carried out correctly. It also enjoyed the right to propose legislation, hence its role was comparable to the High Authority of the ESCS, even if they enjoyed less power. In addition a Council of national representatives was introduced in the EEC treaty as well as an Economic and Social Committee, which also applied to EURATOM (Mittag, 2008). See below for a schematic representation of both institutions.

Source: CVCE

The institutions of the European Atomic Energy Community (25 March 1957)

Commission
5 members

Represents the general interest of the Community

Legislative initiative and control of implementation

Economic and Social Committee
101 members

Represents the various categories of economic and social life

Sharing of legislative power

Consultation

Assembly
142 members (delegates)

Represents the peoples of the States united within the Community

Limited legislative and budgetary powers (simple consultation)

Council
6 representatives of the Member States

Represents the Member States

Powers of decision

Coordination of the actions of the Member States and of the Community

Court of Justice
7 Judges
2 Advocates General

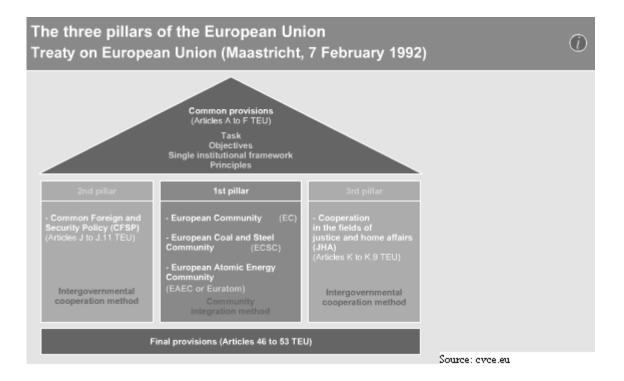Monitoring authority

Ensures observance of Community law

The treaties establishing the ECSC, ECC and EURATOM are the founding treaties of the EU (Mittag, 2008, p.12). In response in 1960 the European Free Trade Area (EFTA) was created and consisted of the following countries: Austria, Switzerland, Norway, UK, Portugal, Denmark and Sweden. Nowadays Norway and Switzerland remain, joined by Liechtenstein and Iceland (Dinan, 2004, p.91). In 1994 the EFTA has signed an agreement creating the European Economic Area, which nowadays allows the EFTA countries to participate in the EU's internal market without membership (Mittag, 2008).

The UK by now took note of the first economic success of the several communities, and considered joining, which was vetoed by French President de Gaulle 1963. He was unhappy about the qualified majority voting provision of the EEC treaty. After a proposed change to the Common Agriculture Policy, France reacted by boycotting the meetings, which was called the empty chair crisis. Half a year later, the Luxembourg compromise ended this, entailing that when considerable national interest of the member states were at stake, discussions should continue until a solution was found. This resulted in the merger treaty of 1967, which created a single Commission and Council of all institutions. However, the communities remained legally separate. After this the first enlargements took place, the first one being in 1973, where the UK, Denmark and Ireland joined. In 1981 the first southern enlargement with Greece took place and in 1986 Spain and Portugal. Britain allegedly only joined because it could economically not afford to stay out (Moravcsik, 2004). This is strongly reflected in their attitude which has remained skeptical till today. In 1968 the Single European Act introduced

qualitative majority voting in the Council of Ministers and strongly enhanced the powers of the Parliament. After the failed attempt of the European Political Community, several attempts towards more cooperation in foreign matters had resulted in 1970 in an agreement on political cooperation; this agreement was formalized with the Single European Act. Also the intergovernmental meetings of the heads of state were formalized as the European Council, not to be confused with the Council of Ministers, commonly referred to as the Council. The overall aim of the Single European Act was to transform the common market in the single market, where there would be no internal frontiers to the movement of goods, persons, services and capital between the EEC. This connected to the previous Schengen treaty of 1985, which was signed to abolish national borders between states, however was at that time not part of the EEC, due to lack of agreement between member countries (Dinan,2004 & Mittag, 2008).

In 1993, the Treaty on the European Union (TEU), signed at Maastricht, came into force. This was to become one of the most important treaties. During the negotiations it was for the last time discussed, whether the EU should have a federal government, however this idea was quickly dropped. In this treaty EEC, ECSC and EURATOM were incorporated in one legal body, now named the European Community (EC). The EC was to become the first pillar of the EU, where the community or supranational method was applicable. With this the competences of the Parliament and Commission were enhanced, in the area of the EC the supranational bodies (Parliament, Court and Commission) had the most influence. This included the creation of the European Monetary Union, with convergence criteria leading towards the implementation of the Euro, as well as the decisions to set up an European Central Bank and the implementation of an European cohesion fund, which should lead to regional cohesion within the EU. The Political Cooperation was institutionalized as the Common Foreign and Security Policy and constructed the second pillar of the EU, while a third pillar was formed by Justice and Home Affairs and Police and Judicial Cooperation in Criminal Matters, which lead to the establishment of Europol. In the second and third pillar the supranational institutions had a very limited competence and the intergovernmental method was most present. The new structure is presented in the following diagram.

The three pillars of the European Union
Treaty on European Union (Maastricht, 7 February 1992)

Common provisions
(Articles A to F TEU)
Task
Objectives
Single institutional framework
Principles

2nd pillar	1st pillar	3rd pillar
- Common Foreign and Security Policy (CFSP) (Articles J to J.11 TEU)	- European Community (EC) - European Coal and Steel Community (ECSC) - European Atomic Energy Community (EAEC or Euratom)	- Cooperation in the fields of justice and home affairs (JHA) (Articles K to K.9 TEU)
Intergovernmental cooperation method	Community integration method	Intergovernmental cooperation method

Final provisions (Articles 46 to 53 TEU)

Source: cvce.eu

After the Treaty of Maastricht in 1995 the accession of Austria, Sweden and Finland followed, which after Britain nowadays can be viewed as the most skeptical countries of the EU (Dinan, 2004). In 1997 the treaty was modified through the Treaty of Amsterdam, through which the CFSP was expanded and a High Representative of Foreign Affairs was introduced and the possibility for enhanced cooperation between member states was included. From then on, member states who wanted to cooperate more or more intensely than was foreseen in the treaties, could do so. This can be viewed as an important institutional innovation. (Mittag, 2008, 285). Also, the Schengen treaty was incorporated into the European Union. Following the treaty of Amsterdam, the Treaty of Nice should provide institutional simplification, however largely failed to do so, because the distrust between small and large member states was large and it became apparent that the EU was becoming more intergovernmental (Mittag, p.289). It did made changes to the voting system and included provisions regarding the members of the Commission and Council, It also enhanced the possibilities for enhanced cooperation by removing previous veto possibilities and limiting the amount of states necessary to engage in enhanced cooperation (287).

3.2 Differentiated integration

The EU during the course of its development has mainly developed in economic perspective, to a great extent, which forms a contrast to the foreseen development in political perspective at the moment of initiation. Under the Maastricht treaty and subsequent treaties mechanisms in this regard have been put in place, however the application of these remains very marginal. That economics has constructed the

main course of development in the EU is reflected in the theories. This connects to the fact that supranational bodies under the treaties of Maastricht, Amsterdam and Nice had their main competences in the area of the first pillar governing economic affairs. The same approach applies to intergovernmentalism, which has only taken economic factors in consideration and purposely does not take political factors into account. Supranational tendencies might very well have driven integration, however supranationalism in its origin as based upon its foundation implies moving away from traditional government, as anything else is as argued the continuation of the government in extensions and hence adds up to federalism. However the lack of a political union would be problematic in this regard. The theories explain the lack of political union as the lack of interest of transnational actors and states in this area.

Federal thought as presented states the more obvious such as common cultural and common interest to integrate. However it also presents a threat as reason for integration, based upon which it is argued that integration will advance, when a crisis is present, which could relate to initiatives toward integration due to the current Euro crisis. The possibility of crisis driven integration urge has recently given impetus to speculations of differentiated integration as solution to the EU dilemma, which has been referred to as a multi-speed or Europe a la carte. As mentioned we can already observe forms of these through the possibility of enhanced cooperation or through cooperation outside the formal EU institutions. In the future differentiated integration will likely become to play an even more prominent role. If incentives for integration will increase through the economic crisis and a perceived threat from changing balances within the world system, it will most likely be in a continuous form of differentiated integration, where several structures of supranationalist/federalist/intergovernmental approaches will reflect differences between the member states and their needs for integration.

What can be observed is that states in general have issues giving up competences which affect their sovereignty, if it is not in their direct interest. As argued, what is in their direct interest is the maximisation of welfare, whereas security issues and other geopolitical concerns do not directly work towards their merit and hence could be considered rather an indirect interest. Indirect in the sense that in first instance states within the EU, certainly with the crisis, are more occupied with what directly affects them than what could affect them in the long term, such as for example improving military capacity (costly and only to be benefitted from during wartime, which is not a direct concern momentarily) or improving a state's position of power in the world (a difficult undertaking, with uncertain outcome and no direct results). Therefore impetus in this area to integrate is less strong. The state in general will not want to give up sovereignty, as this is considered to be the ultimate state interest, which defines the state. Hence the state will only give up sovereignty in areas where the

interest of giving up sovereignty outweighs keeping sovereignty. Both theories of supranationalism and intergovernmentalism could be applied at geo-political level, for theories of bargaining and supranational mechanisms can also be applied to this sphere, however the development in these areas has never gained sufficient momentum to be of importance. Supranational theories, which have argued that economic spill-over extends into other areas, can still be confirmed by arguing that this is exactly what has happened and the degree of integration in areas other than the economic are mainly spill-over from economic areas, which is why this cooperation is so limited. Functionalist thought and the original neo-functionalist stream which would make a stronger case for political integration in this manner have already been abandoned after the many disappointments in this area. However, this has left the EU exactly in the ambiguous grey area she is in now, and as it is argued by many the world nowadays is moving away from the system we have described and power balances are shifting, which creates the need for a grand strategy of the EU and thus a closer political integration (Howorth, 2011).

"It is a truism that the EU was founded to solve yesterday's problem, the one thousand year old civil war within and between Europe's member states." (Howorth, 2011, 1) However, according to Howorth this narrative does no longer suffice, as at this point the EU has two choices, become a superpower in the world or be constrained forever by the tensions between its member states. As structures have been introduced in the Lisbon treaty allowing the EU to become an international actor of substance, the argument is that the EU has global aspirations. The strong points of the EU are the managing of collective interdependence, effective international law systems. According to the order in the new approach to IR collective security will outweigh territorial defence, human rights are as important as state rights and multi-level bargaining will triumph military defence. On all these fronts the EU is a forerunner; however what is lacking is the strategy. The problems are the large member states, such as Spain with Latin-American ties, the UK with its ties to the US, France (which perceives the EU as working for France), Germany with identity problems and Poland with deeply rooted cultural national resistance. Howorth argues that economically member states still recognize that deepening and moving from commonality to singularity has served their interest. Accordingly, at the point where coordination turns into integration, supranationalism and intergovernmentalism become indistinguishable. Howorth describes Moravcsik's ideas as a muddling through, however considers this as inadequate. This is where a grand strategy becomes problematic as the EU lacks a focused pursuit and agile leadership necessary to carry out calculated means towards an end. However, failure would lead to the EU being marginalized on the world stage, where in the more realist world the EU's current strengths and assets might significantly diminish. (Howorth, 2011)

This indecision regarding the future of the EU has resulted in the stagnation of integration. The solution would differ per policy, however further integration in general is assumed to be the appropriate outcome (Bendiek, Lippert, Schwarzer, 2011). The paper "Europe- A state of Play"(ibid) introduces three paths to move forward. The first would be comprehensive treaty reforms including all countries, applying the full ordinary revision procedure. However, with the current mood in the EU, the danger would be that firstly, it would take a long time to move through negotiations, the outcome might move away from integration and it will take a long time to implement it. The second path would be applying the simplified revision procedure, and apply selective change, however this would prevent any form of comprehensive reform and would most likely result in a continuation of the same ambivalent structure. The third path, which with recent proposals seems the most likely, is the path of differentiated integration, which might however have the danger to jeopardize the cohesion and undermine the institutional balance and create an even larger democratic deficit. This can take the form of enhanced cooperation, intergovernmental coordination within the EU or intergovernmental coordination outside of the EU treaty. According to Barbara Lippert and Daniela Schwarzer (2011), the EU due to the crisis has become more intergovernmental again, with the cooperation between Merkel and Sarkozy regarding Greece and pushing of the fiscal union. Fragmentation is already set in motion and is expected to continue to take place, with the lacking solidarity within the EU. However, it turned out that disintegration is not possible without a very negative impact on states, hence it seems that only more integration is the solution. However, especially in this regard, where Germany and France together push for this, with the vision of France, aiming at a federal European core (centred around Germany and France), the question of differentiated integration becomes very actual (ibid).

The concept of differentiated integration within the EU has led to the concept of variable geometry within the union. Often 2 or 3 different 'geometries' are pointed out within the EU. Accordingly, differentiated integration will either take place as enhanced cooperation, hence applying the supranational/community method or as intergovernmental coordination within the union, applying a mix of supranational and intergovernmental elements or fully intergovernmental outside the union framework. Differentiation can refer to differentiation in speed, multi-speed Europe or to differentiation in task, multi-track Europe (Yolles,2009). Multi-speed Europe presumes that all member states will eventually follow, however some will follow more slowly and some faster (Gillespie, 2011), differentiated integration here can be identified as a temporary state. A multi-track Europe refers to difference in objectives and can be viewed as a solution to the difference created by the objectives not all states have in common. The last track refers to Europe a la carte, where power and will of states plays a role. Here intergovernmental agreements come in, the latter is the most dangerous to the cohesion within the EU. As mentioned we can already observe differentiated

integration, for example through the various stages in the implementation of the Euro and through various opt-outs and opt-ins, regarding policies such as the Schengen area. The intergovernmental approach of differentiated integration we can observe in acts such as the agreement between France and the UK of last year to cooperate more intensely in military matters (Bendiek, Lippert, Schwarzer, 2011).
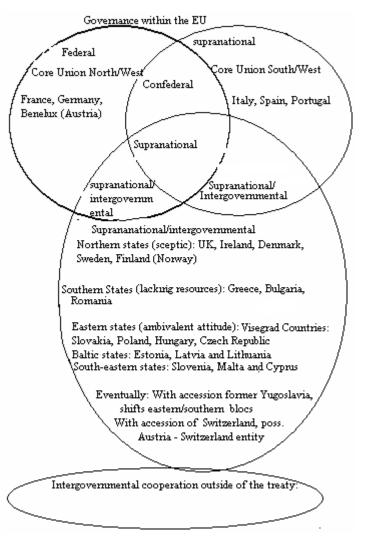
3.3 EU integration system of Supranationalism and Intergovernmentalism

The current structure of the EU reflects both supranational and intergovernmental elements. Within the formal structure and the controlling of decisions the Commission and the Court of Justice have demonstrated power and influence. Where supranational institutions have mattered most is in deepening of their competences, while intergovernmentalism has mattered most in the widening of competences. It can be argued that in deepening their competences the institutions have been able to implement their norms in their particular area in which they have had competences, mainly in the economic area. The norm of supranationalisation affects all countries; however it will affect some countries more than others, the scope of which will determine their place in the EU system. The member states, which can be grouped on the same systematic base as the world system, however divided according to supranational and intergovernmental modes. States who share many commonalities group together and can be grouped within the EU according to the extent they accept the role of institutions.

Economically seen, we can observe several differentiations, the difference between Euro and non-Euro countries, where with recent measures it is suggested that the Euro countries will pursue a more intense path of integration, while some non-Euro countries might join later at a slower speed and others will use the opt-in/opt-out modes. If a euro zone –non euro zone division would be the outcome, it would likely occur under Franco-German leadership, however France in this regard seems to aim at a more intergovernmental pattern, whereas Germany, for so far it would want a two-speed Europe, wants to include institutions (The economist, 2011). The question posed now is how to structure the institutions: "How can we realize the future of the federal institutions of the euro zone in accordance with the intergovernmental institutions of the EU. Can we imagine a minister of finance within the euro zone, eventually a government of the euro zone with political responsibility for the European citizens, within the actual structure of the European Union? No convincing pattern has been presented until now. To create the Euro-federal institutions, will be the last European challenge. "(Le Monde, 2011)

Here we can observe a supranational core vs. a more intergovernmental outer circle (Yolles, 2009). However, more traditionally the difference has been made between old and new EU countries, where the old northern states form the federal core and the newer states are grouped around the core. This difference is made on the willingness and ability to participate. Ability to participate is subject to economic resources; so far military capacities have not been significant. "The crisis marks the contemporary economic differences and political disagreement within the EU: different economic traditions, differences in competitive capacities, growth models, different visions of debt reduction, strategies, etc. More in general, it is possible to differentiate between different social-economic models within the EU: Latin, Scandinavian, Anglo-Saxon and Rhenish. As a consequence of these differences, the EU is, how necessary this may be, far from harmonisation, socially as well as fiscally." (Le Monde, 2011)

We can group the several countries and the several modes of integration they pursue in the model (on the right) in analogy with the world model. In support the following arguments have been presented: we live in a world determined by norms, statehood and society are determined by norms. Based upon this we can make a division of states based upon the norm they support. The dominant system has been the system of the West where statehood of liberal democracy is the norm. It has been argued that this is made possible through rational governance, while at the same time liberalism makes rational governance possible. The argument that only under rational governance (which according to the argument will be accompanied by liberal democracy)

Governance within the EU

supranational

Federal
Core Union North/West

Core Union South/West

Confederal

France, Germany, Benelux (Austria)

Italy, Spain, Portugal

Supranational

supranational/ intergovernm ental

Supranational/ Intergovernmental

Suprananational/intergovernmental
Northern states (sceptic): UK, Ireland, Denmark, Sweden, Finland (Norway)

Southern States (lacking resources): Greece, Bulgaria, Romania

Eastern states (ambivalent attitude): Visegrad Countries: Slovakia, Poland, Hungary, Czech Republic
Baltic states: Estonia, Latvia and Lithuania
South-eastern states: Slovenia, Malta and Cyprus

Eventually: With accession former Yugoslavia, shifts eastern/southern blocs
With accession of Switzerland, poss. Austria - Switzerland entity

Intergovernmental cooperation outside of the treaty:

longstanding real cooperation and hence peace will function, is supported by the historical evidence. Much of this argument is based upon the EU which can be viewed as a product of this system, and would not be possible in any other system. In the world model what connects the states within the

44

systems are similarities, most importantly of course the similar political norm, however also other similarities connected to this are of importance, such as (political) culture. Within the EU the same principle can be applied, however now instead of realism/liberalism debate it will be a question of intergovernmentalism/supranationalism. We can take the world model as a base and apply it to Europe, aimed at pointing out more subtle differences logically. The West we replace by the core Europe or the northern states. This consists of the former founding states, minus Italy, due to the ability factor; its current economic outlook makes it more suitable for the next group. The Semi-West will be replaced by the Semi-Core; this will be a question of speed and will in first instance consist of the southern states: Italy, Spain and Portugal. Economically they will benefit from further integration. Politically in particular Italy and probably to a somewhat less extent also the other two states will fit a political union, for Italy is traditionally (as being one of the original EU countries) more European orientated, while Spain for example in a similar fashion to the UK believes in their special past colonial ties, in their case with Latin America. However, due to their current position they will likely be very willing to integrate further, as long as they will receive financial support. The assumption here is that over time a full federal Europe, politically as well as economically, between these nations can develop based on willingness and depending on the development of the economic situation in the southern states. The core northern founding states, however, at this point could proceed towards a fast deepening of integration, if wanted. Harmonisation between the core and to less extent with the semi-core included is relatively easy based upon cultural and social-historical background. The states have in general terms, with difference in speed, a similar historical development; furthermore there are other factors which simplify unification, such as a similar law system, as opposed to the British law system. On the other hand, there are likewise many factors which would complicate unification. However, as soon as integration will be set in motion and a political union will be formed, the supranational method will likely take care of the specifications, which will determine to what extend integration will proceed.

If we refer back to the analogy with the world system, what has been termed the anti-west could in this case not be named the anti-core. However, it does refer to states that are against supranational authority and hence will stick to the path of cooperation instead of integration, which in concrete terms means a rejection of a political union and an endorsement of an intergovernmental economic union. These are mainly the Anglo-Saxon and the Scandinavian states, something which has been reflected in their attitude from the moment they have joined the EU (Mittag, 2008). Those states would indeed prefer a Europe a la carte, where they can pick the deals they like and stay out of the ones they dislike. Austria is a questionable state, as it is very euro-sceptic, however due to its ties with Germany and for strategic reasons it could decide to move forward. However, if Switzerland were to join under

intergovernmental conditions, it might form a euro-sceptic neutral entity in the middle of Europe. | Eastern and south eastern states, which have been part of the EU a relatively short time, also so far have demonstrated ambivalent attitudes towards the EU. However, the future position of theses states in the EU will still largely have to be determined. Factors are the other relations within their neighbourhood, Visegrad, Russia and Ukraine in accordance with the ambitions those countries have, as well as their relations with several western states. As most of these countries are upcoming economies with their own agenda, such as the case of Poland, which sees itself as a mediator between the west and east, they likely would want to take advantage of opportunities within the EU, however not exclude other options. Of importance here is also the division between the euro countries and the non-euro countries. Baltic countries, on the other hand demonstrate a clearly defined positive attitude towards Europe, as in economic perspective they have experienced tremendous economic growth due to accessions, however also because EU membership gives them a protection shield against Russia (Doran, P.B., Kron, R. & Paskova, 2012). It is most likely to assume that on economic grounds eastern and south eastern states will continue to go along with whatever EU integration the more dominant northern states push for, as it has been demonstrated that thanks to the EU they have been clearly better off, whereas some might politically be more willing to integrate than others. However, economic differences here are an obstacle; therefore what applies here would be differentiated integration in speed. Especially in regard to states as Bulgaria and Romania.

Conclusion

The future will unlikely be a continuation of integration by all states of the EU, but as stated it is to be expected that the EU will proceed in the form of differentiated integration. Similar states with similar attitudes will group together, the dominant group will determine the way the EU will continue or as currently is the case, under what terms. The direction the EU in first instance seems to take is heading towards a division between Euro and Non-Euro countries, mainly driven by the Greek financial debacle, which in first instance supports the intergovernmental claim that the EU is a union of state interest made out of bargains between national leaders. However, supranational theorists never have argued otherwise in regard to the treaties that have shaped the EU in its history which is said to be "really a history of meetings" (Dinon, 2004). The intergovernmental meetings, which are named summits, have indeed been the meetings where decisions regarding the future of the EU have been taken, which has not changed. However, recently in summits under pressure of the financial crisis, it has come out that a close economic union, such as the euro zone should not go without a political union, at least to the extent that economic control (also in sensitive areas where state sovereignty will be affected) will be exercised centrally. This again would be a triumph for the representation of supranationalism. The dominant norm in the EU currently is still a mix of supranationalism and intergovernmentalism, however if recent developments regarding a banking and fiscal union will be implemented, the norm will move towards supranationalism. This will lead to a deviation with states that will cling more to the intergovernmental EU. The question which is of importance for the future, is how to incorporate the differences between different groupings and how to accommodate the increasingly complicated geometry which this will result in. What can be stated with a certain degree of certainty however is that the EU will continue to exist and also integration will proceed, however not all states will continue in the same mode of integration. The core will become more supranational and around the core states will either choose the intergovernmental approach of economic cooperation and some states will stand somewhere in between, with the option to move towards more integration over time. The EU as such can be seen as a final stage of the liberal idea of peace and cooperation, a product of the successful Western liberal hegemony. Although it has been stated that this will become history soon, it is indeed not to be expected that any other approach of governance will function better; even if interpretations might differ, these however can be considered rather details within the bigger picture. Therefore liberalism is safe-guarded, as it is the best possible option. The same case can be made for European integration, where as integration will indeed precede the debate between supranationalism and intergovernmentalism will become increasingly more irrelevant. European integration will likewise not cease, as it is the best possible option for Europe. History

before the EU was a history of warfare (WW I, II and before constant war), while history after the EU is a history of meetings. Boring to read about, but as should not be so hard to see: better to live in.

Works Cited

Bache, I., Stephen, G., & Simon B. (Eds.) (2011*). Politics in the European Union (3rd edition).* Oxford: University Press.

Baylis, Smith and Owens (2011). *The globalization of world politics.* Oxford: Oxford University Press.

Bendiek, A., Lippert, B., Schwarzer, D.(Eds.) (2011). State of Play in European Integration: Challenges and Opportunities for German Policy. *SWP Research Paper*, 12.

Center for European Policy Analysis(2012). *Europe Outlook 2012: Toward a Two-Speed Europe.* Washington, DC: Doran,P.B., Kron R.& Paskova G.

Charlemagne, E. (2011, December 2). The euro crisis: One problem, two visions. *The Economist.* Retrieved from: http://www.economist.com/blogs/charlemagne/2011/12/euro-crisis

Charlemagne, E. (2012, June 29). The euro crisis: Less disunion. *The Economist.* Retrieved from: http://www.economist.com/blogs/charlemagne/2012/06/euro-crisis-0

Chopin, T. (2011, November 4).L'Europe à deux vitesses : une voie pour l'intégration? *Le Monde*. Retrieved from: http://www.lemonde.fr/idees/article/2011/11/04/l-europe-a-deux-vitesses-une-voie-pour-l-integration_1598422_3232.html

De Mesquita, Morrow, Silverson and Smith (2004). Testing novel implications from the selectorate theory of war. *World Politics,* 56, 363-388.

Dinan, D. (2004). *Europe Recast- A history of the European Union*. Hampshire: Palgrave Macmillan.

Dosenrode, S. (2010). Federalism Theory and Neo-Functionalism: Elements for an analytical framework. *Perspectives on Federalism,* 2(3), 1-28.

Eur-Lex. Processes and Players. Retrieved from: http://eur-lex.europa.eu/en/droit_communautaire/droit_communautaire.htm

European Council (2012). *TOWARDS A GENUINE ECONOMIC AND MONETARY UNION* (EUCO 120/12). Brussels.

Ferrand, O. (2011, November 4). Vers l'euro-fédéralisme**.** *Le Monde.* Retrieved from: http://www.lemonde.fr/idees/article/2011/11/04/vers-l-euro-federalisme_1598748_3232.html

Finnemore, M. & Sikking, K. (2001). TAKING STOCK: The Constructivist Research. *Annual Review Political Science*, 27.

Gehring, T. (1996). Integrating Integration Theory: Neo-functionalism and International Regimes. *Global Society*, 10 (3), 225-253.

Gfeller A.E., Loth W.& Schulz M.(2011). Democratizing Europe, Reaching out to the Citizen*? Journal of European Integration History*, 17(1), 5-13.

Lootsma: Cooperation in global politics and the future of European integration - a theoretical model

Gillespie, P. (2011). The Euro Crisis: Ins and Outs- Multi-Speed Europe*? Institute of International and European Affairs*, 3, 1-12.

Held, D. „American Power in the 21th century." In *HARD POWER, SOFT POWER AND THE GOALS OF DIPLOMACY*, door H. Cooper, 167-180. 2004.

Howorth, J. (2011).Europe at a Historical Crossroads: Grand Strategy or Resignation?" *EIF Working Paper Series*, 2, 1-34.

Hume, D (1748). *An Enquiry Concerning Human Understanding* . London.

Ikenberry, G.J. „The liberal International Order and its Discontents." *Millennium-Journal of International Studies*, 10 05 2010: 14.

Keohane, J. (1998) International institutions: Can interdependence work? *Foreign Policy*, 7.

Leal-Arcas, R. (2006) Theories of Supranationalism in the EU. *Bepress Legal Series*, 1790, 1-28, Retrieved from: http://law.bepress.com/expresso/eps/1790

Littoz-Monnet, A. (2010): Dynamic Multi-Level Governance – Bringing the Study of Multi-level Interactions into the Theorising of European Integration, *European Integration online Papers (EIoP)*, 14 (1), Retrieved from: http://eiop.or.at/eiop/texte/2010-001a.htm.

Mak, G.(2004). *In Europa.* Amsterdam/Antwerp: Atlas. Martinez-Vela,C.(2001) 'World Systems Theory', *ESD*, Retrieved from: http://web.mit.edu/esd.83/www/notebook/WorldSystem.pdf

Martinez-Vela,C.(2001) 'World Systems Theory', *ESD*, Retrieved from: http://web.mit.edu/esd.83/www/notebook/WorldSystem.pdf

Moravcsik, A. (1998). *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht.* London: UCL Press.

Mearsheimer, J (1994).The false promise of international institutions. *International Security*, 45.

Mittag, J (2008). *A little history of the European Union – from the European Idea until the present.* Münster: Druckhaus Aschendorff.

Ole R. Holsti, "Theories of International Relations," in Hogan and Paterson, eds., *Explaining the History of American Foreign Relations*, 2004

Peeperkorn, M.(2012, June 17). EU heeft noodscenario's klaar voor Grexit. *Volkskrant.* Retrieved from:http://www.volkskrant.nl/vk/nl/7264/Schuldencrisis/article/detail/3272464/2012/06/17/EU-heeft-noodscenario-s-klaar-voor-Grexit.dhtml

Pinard, M. (2011, November 4).Le séduisant danger de deux Europe. *Le Monde*. Retrieved from: http://www.lemonde.fr/idees/article/2011/11/04/le-seduisant-danger-de-deux-europe_1598455_3232.html

Popoviciu, A. (2010). David Mitrany and Functionalism: the beginnings of functionalism. *Revista Româna de Geografie Politica*. 1 (12),162-172.

Lootsma: Cooperation in global politics and the future of European integration - a theoretical model

Puchala, D.J. (1999). Institutionalism, Intergovernmentalism and European Integration: A Review Article. *Journal of Common Market Studies.* 37(2), 317–31.

Reyes, G. (2001) 'Four main theories of Development: Modernization, Dependency, World System, and Globalization' *Nomadas: Revista critica de ciencias socials y juridicas.* Retrieved from: http://www.ucm.es/info/nomadas/4/gereyes1.htm#(*) ,

Rousseau, J (1782). *The Second Discourse.* Geneva.

Singer, D.J. (1960), Reviewed Works [Review of the book Man, the State, and War: A Theoretical Analysis by K. N. Waltz], *World Politics*, 12 (3), 453-461.

Sorinel, C (2010) ' Immanuel Wallerstein's World System Theory' Annals of the university of Oradea: Economic Science 1 (2) pp. 220-224.

Schmitter, P.C. (2003). Neo- Neo –Functionalism. In A. Wiener & T. Diez (Eds), *European Integration Theory (pp. 45-74).* Oxford: Oxford University Press.

Sweet Stone, A. & Sandholtz, W. (1997). European Integration and Supranational Governance. *Journal of European Public Policy,* 4, 297-317.

Tsebelis, G. & Garret, G. (2001) The Institutional Foundations of Intergovernmentalism and Supranationalism in the EuropeanUnion. *The MIT Press Stable*, 55(2), 357-390.

Tanter, R. (1969), A working functionalism [Review of the books A Working Peace System by D. Mitrany and Functionalism and World Politics by J.P Sewell], *Conflict Resolution*,13 (3), 397-401.

Umit, K. (2009). Europe of Monnet, Schumann and Mitrany: A historical Glance to the EU from the Functionalist Perspective. European Journal of Economic and Political Studies, 2, 41-60.

Verhofstadt, G. (2012). Speech by Guy Verhofstadt at (CSIS) the Centre for Strategic and International Studies. Retrieved from: http://www.alde.eu/press/press-and-release-news/press-release/article/speech-by-guy-verhofstadt-at-csis-the-centre-for-strategic-and-international-studies-37956/

Waltz, K. (1979) *Theory of International Politics*. New York: McGraw-Hill.

Yolles, M.(2009). Understanding the Dynamics of European Politics, European Integration online Papers, 13 (27), 1-28. doi:10.1695/2009027. Retrieved from: http://eiop.or.at/eiop/index.php/eiop/ article/view/2009_027a