

CONCEPTUALIZING EUROPE AS A 'REGION-STATE'

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Abstract:

Can the EU be conceptualized using the term 'state' in any way at all? And can it be helpful to scholarly or even public understanding of and engagement with Europe and over time? This paper argues that the EU can and should be called 'state,' but modified by adding 'region' to 'state,' as in 'region-state' or 'regional state.' The concept of the 'region-state' serves as a lens that helps make visible not only what the EU has become but where it is in its current stage of state-like development, somewhere beyond the nation-state but nowhere near a supranational 'state—which it may never in any case become. My reasons for proposing a new concept for the European Union, using the term 'region-state' as a lens to focus on the nature and development of the EU, are three-fold. First, I want to emphasize the newness of the EU as the emergence of a new kind of international organizational form, never seen before, but nevertheless in a line of development from existing supranational entities organized by and above the nation-state. Second, I wish to highlight the comparisons and contrasts between the EU and the nation-state, in order to grasp the EU's scope and limits as a 'state' and a 'region.' Third, naming the EU as a 'region-state' can help re-frame our understanding of it, and thereby open up avenues for the development of new ideas and discourse about what it is and how to address the problems with its unsteady 'state.' The paper's analytic framework for this conceptualization of the 'region-state' is primarily discursive institutionalist. It offers a consciously constructivist reframing of the EU in terms of the concept of region-state along with a discursive use of that concept to propose new ways of engaging in the EU based on the insights about the EU that emerge from use of the region-state concept.

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The European Union has been called many things, but never a 'state' as such, at least in the sense in which political scientists have used the term. And yet it has developed many state-like qualities in the course of its development. The question, therefore, is whether the EU can be conceptualized using the term 'state' in any way at all, and whether this can be helpful to scholarly or even public understanding of and engagement with Europe and over time.

In this chapter, I argue that the EU can and should be called 'state,' but modified by adding 'region' to 'state,' as in 'region-state' or 'regional state.' There can be little doubt that traditional international relations theorists would reject this out of hand because a 'state' is a 'State,' and no supranational regional union of nation-states could possibly qualify, however much they pool their sovereignty. Comparativists, in contrast, would be likely to misunderstand the term because regions for them connote the subnational level, so that a 'regional state' would lead them to think of the EU as constituted mainly by subnational regions. But my argument is that the concept of the 'region-state' serves as a lens that helps make visible not only what the EU has become but where it is in its current stage of state-like development, somewhere beyond the nation-state but nowhere near a supranational 'state—which it may never in any case become. As a concept expressed in ordinary language, moreover, it is perfectly compatible with previous adjective-modified nouns regarding statehood. After all, if it was possible to talk of the city-state in the past and the nation-state today, why can we not talk of the 'region state' for the EU, or even possibly for any other future supranational union of nation-states?

My reasons for proposing a new concept for the European Union, using the term 'region-state' as a lens to focus on the nature and development of the EU, are three-fold. First, I want to emphasize the newness of the EU as the emergence of a new kind of international organizational form, never seen before, but nevertheless in a line of development from existing supranational entities organized by and above the nation-state. I deliberately chose the word state to highlight the EU's supranational state-like qualities, and region to qualify the nature of its trans-national scope. The EU is neither a post-modern version of some past empire nor a future 'super-state,' let alone a developing federal state akin to a 'United States of Europe.' But it is not therefore un-identifiable or unclassifiable, or even like an elephant to blind men, which makes it too many different things to fit any one concept (Puchala 1972). What the concept 'region-state' offers for the EU is a new, readily understandable term capable of encompassing what it has become and what it is becoming. The EU's 'region-state' is a regional union of member-state nations, in which the creative tension between the supranational Union and its member-states ensures both ever-increasing regional integration and ever-continuing national differentiation.

Second, I wish to highlight the comparisons and contrasts between the EU and the nation-state, in order to grasp the EU's scope and limits as a 'state' and a 'region.' States have long been assumed to have indivisible sovereignty, notionally fixed boundaries, clear

identity, established government, and, where present, cohesive and legitimate democracy. But scholars who have sought to define the state beyond the confines of the European states, from whence the definition of nation-state in international relations theory derives, find that ‘stateness’ is often much more a matter of degree than of absolutes (Nettl 1968). This is particularly the case in a world subject to globalization, where state capacity to respond positively to global challenges has been increasingly in question (Evans 1997). The EU represents one kind of response to such global challenges, serving as a conduit for globalization even as it acts as a shield against it (Schmidt 2002).

The EU is a supranational state-like entity in which sovereignty is pooled rather than indivisible, shared with its constituent nation-state members, and contingent upon internal acceptance and external recognition, policy area by policy area. Its boundaries are not as yet fixed with regard to geography while they are variable with regard to policy reach, which makes for member-states’ differentiated integration in overlapping policy communities or clusters. Its citizens’ identity is a composite of national, EU, and sub-national levels at the same time that its elites have very different visions for the EU, which divide over whether the EU project is primarily about market, community, rights, or global action. Its governance system—rather than government—is more highly compound than that of any nation-state, as it is multi-level, multi-centered, and multi-form. And its democracy is fragmented between supranational EU and national levels, with legitimacy in question as a result of trade-offs at both levels between the responsiveness to ‘input’ politics, the performance of ‘output’ policies, and the quality of the ‘throughput’ processes. These characteristics and challenges for the EU do not suggest that it is therefore something halfway between a regional organization and a future nation-state. This *is* the definition of a region-state, and it is how to conceptualize the EU.

Third, naming the EU as a ‘region-state’ can help re-frame our understanding of it, and thereby open up avenues for the development of new ideas and discourse about what it is and how to address the problems with its unsteady ‘state.’ These include ways of reconsidering sovereignty and boundaries, identity and vision, governance and democracy. I thus use the region-state not only as a conceptual lens. It also serves as a dynamizing concept in an ideational strategy to re-conceptualize the EU and as a discursive strategy to break the hold of the nation-state concept with regard to the way in which the EU is so often judged and found wanting. Such a discursive strategy engages in a conceptual framing of the EU that leads at the same time into a normative evaluation of the EU, by thinking about what already is in such a way as to enable new ideas about what could be.

Conceptualization is something that goes on in all methodological approaches, and necessarily, since it is at the very foundations of theorizing. Nonetheless, I suggest that this paper conceptualizes the ‘region-state’ in a way that makes it very much a part of the analytic framework of ‘discursive institutionalism,’ which focused on the substantive content of ideas and the discursive processes of interaction in institutional context (Schmidt 2006, 2008). Discursive institutionalism began in comparative politics and political economy (although it certainly has its equivalent in other fields, most notably

constructivism in international relations) as a response to the three older ‘neo-institutionalisms,’ including rational choice, historical, and sociological institutionalism. These analytic frameworks have tended to underplay (at least until recently) the primacy of political agents’ ideas and the communicative dynamics of their discourse in political institutional change—the focus of discursive institutionalism—by privileging explanations focused on the (rationalist) calculation of interests, the path dependency of (historical) institutional rules, or the (sociological) framing of culture. That said, these approaches have had increasingly fuzzy boundaries with discursive institutionalism as they have all sought to explain the dynamics of institutional change (Schmidt 2010), and have begun exploring the ways in which, say, agents incrementally overcome (historical) institutional constraints (Mahoney and Thelen 2009), or how changing informational frames affect (rationalist) incentive structures (Druckman 2004). What makes this paper’s conceptualization of the ‘region-state’ primarily discursive institutionalist is its consciously constructivist reframing of the EU in terms of the concept along with its discursive use of that concept to propose new ways of engaging in the EU based on the insights about the EU that emerge from use of the region-state concept.

This paper begins by considering how to reconceptualize the ‘stateness’ of the EU’s region-state, in particular in contrast to the main markers of the nation-state, then how to conceptualize questions of sovereignty, boundaries, identity, governance and democratic legitimacy. Toward the end of each section, the paper will suggest ways in which thinking about the EU as a region-state can help remedy some of the major problems the EU faces today, conceptually and institutionally. Throughout, the paper also considers how the Eurozone crisis has constituted a critical moment for the EU that may very well have moved the EU backwards and/or forwards in terms of stateness, identity and vision, governance and legitimacy. It concludes with thoughts about how to consider the future of differentiated integration in the EU’s region-state.

Re-Conceptualizing ‘Stateness’ in the EU’s Region-State

The EU has been called many things. It has long been defined as *sui generis*, identified as an ‘unidentified political object’ according to Jacques Delors (cited in Schmitter 1996: 1), seen as ‘less than a federation, more than a regime’ by William Wallace (1983), and considered maybe even ‘the first truly postmodern political form’ by John Ruggie (1993: 139-40). When seeking to define its institutional structures, moreover, scholars have described it as most akin to a federal system (Scharpf 1988; Sbragia 1993) or with ‘quasi-federal’ institutional structures (Schmidt 2006: Chapter), and serving as a ‘federal union’ (Pinder 1994) or ‘co-operative federalism’ (Wessels 1990). But although its development from confederal to federal system greatly resembles that of the United States (Fabbrini 2010; Sbragia 1993), its institutional set-up is closer to that of Germany, as Scharpf (1988) has argued, not only because of its interlocking federal institutions but also because of its ‘joint-decision trap’. With regard to its policy-making processes, by contrast, when it has not been described as undefinable, it has been compared to the pluralism of the United States, and seen as a model of ‘transnational pluralism’ (Streeck and Schmitter 1991) or as a system of ‘semi-pluralist’ policy-making (Schmidt 2006: Chapter 3).

Moreover, when ‘empire’ became a new way of conceptualizing nation-states through their activities in the world, most notably with critiques of the American ‘empire’ (Bacevich 2004) or revisionist panegyrics to former empires such as the British (Ferguson 2003), a number of theorists of the EU also took this up. The EU has most notably been portrayed as a ‘neo-medieval empire’ (Zielonka 2006), which nicely evokes the indeterminateness of the EU’s borders—their fuzziness and highly porous nature—but does not do justice to its formalized internal governance system and the hardness of its rules, which contrast greatly with the softness the neo-medieval empire concept suggests. Alternatively, the EU has been discussed as a ‘Cosmopolitan Empire,’ with emphasis on its normative projection of values (Beck and Grande 2007). It has additionally been conceptualized as a future republic (Collignon 2004) or a future superstate (Morgan 2006), both of which are admirable pleas for possible futures.

My own conceptualization departs from all of these, in that it suggests that the EU is already a region-state, characterized by shared sovereignty, variable boundaries, composite identity, highly compound governance, and fragmented democracy (Schmidt 2004, 2006: Chapter 1). There are those who might argue that by using the term ‘state’ for the EU, however modified, I run the risk of concept stretching (e.g., Anderson 2009). But although my use may indeed alter the concept of the state, this is not the concept stretching that Giovanni Sartori (1970) famously critiques. For Sartori, political scientists err when they take a term used in one context and stretch it to apply to another. This is not what I am doing. Rather than conceptual stretching, I am engaged in conceptual innovation, by defining a new and as yet un-named political-institutional entity beyond the nation-state (see discussion in Schmidt 2004, 2009). This is in essence about taking a concept that has been used in the past to reflect different and changing realities, from city-state to nation-state, and re-conceptualizing it to frame a new reality without necessarily rejecting the previous concepts. Thus, the concept of ‘state’ *tout court* could be defined very broadly as any organized community living under one political authority. Adding an adjective—whether city, nation, or region—refines that definition.

Calling a political entity a ‘city-state’ denotes the political authority of an organized community living in a small (urbanized) geographical area at a given time (the Renaissance to the 19th century for the most part). Calling a political entity a ‘nation-state’ takes us to another level, since the term was applied to political authorities with similar state-like qualities operating in communities covering a much larger geographical area that also constituted a ‘nation’ because united by common identity (at least in theory, since identity remained highly contested historically in most nation-states long after territorial boundaries were notionally fixed). To this we need to add the special status conferred in international relations on the nation-state by the Treaty of Westphalia, which consecrated the state with certain qualities, including sovereignty and nationhood. Calling a political entity a ‘region-state’ is therefore yet another way of recasting the definition of ‘stateness’ to cover an even larger geographical area, as a region dominated by nation-states that choose to pool sovereignty.

When thinking about the region-state, therefore, we need not limit ourselves to the EU but could see other regional unions of nation-states as potentially developing region-states, like Mercosur or Unosur, the Asia-Pacific Economic Cooperation (APEC) or its successor, the African Union, and possibly even the North American Free Trade Association (NAFTA). In doing this, building upon the discussion in the introduction to this volume, I could be seen as taking a more nomothetic approach to the concept in order to speak to the larger fields of comparative politics and international relations rather than European Studies alone. That said, in a more idiographic sense, we also need to point to the fact that for the moment, only the EU constitutes a region-state. It is unique in its progress toward shared sovereignty and joint control over so many sectors that remain exclusively the domain of the nation-state in these other regional organizations.

But what then is the definition of the ‘state’ to use for the region-state? Weber’s classic conceptualization of the ‘state’ as holding a legal monopoly over the use of force in its own territory may very well define a nation-state, but it does not a region-state—or at least not this region-state. The EU, far from having a monopoly on the use of force, depends upon its member-states for coercive power, whether national armies reorganized into European battle groups for rapid reaction outside the EU, national police and special forces drafted into action within the boundaries of the EU to fight crime and terrorism, national bureaucracies prompted to implement transposed EU directives, and national judges primed to administer and enforce EU law. Thus, rather than the coercive powers of a state, the EU has ‘normative’ powers that nonetheless lead to action (and are therefore performative), in that national courts have come to accept the legitimacy of ECJ judgments and their obligation to enforce even (or especially) against their own government (doctrine of supremacy, etc.). This norm-based power is at the basis of EU decisions in every realm, in that the member-states accept their obligation to obey. Notably, this is because the EU *is* its member-states, and the two can’t really be separated other than semantically (see Bickerton 2012).

The nature of the state at the supranational level is quite different from that of the nation-state not only in terms of differences in the exercise of power but also in terms of its framing of citizen’s lives. If the nation-state in the 20th century can be seen as increasingly ‘caging’ citizens, then Europeanization, much like globalization, could be seen as a kind of ‘de-caging’ (Mann 2012). The difference between the two forces is that whereas globalization has remained a force for opening up the nation-state, with comparatively little reregulation at the international level, Europeanization has re-enclosed citizens in a larger whole in a wide range of areas. This could be seen as liberating citizens from the constraints of their national state, e.g., through borderless travel, protections in terms of work conditions and human rights, and so. But it could also be seen as further constraining citizens through a more rigid kind of EU re-caging, given the emphasis on ‘norms’ and rule of law and, in the Eurozone crisis, on EU rules-based requirements with regard to national spending patterns that have an impact on citizens’ pensions and benefits.

Conceptualizing Sovereignty in the EU’s Region-State

The most significant attribute of ‘stateness’ for nation-states has to do with their indivisible sovereignty. The EU lacks this attribute given a sovereignty shared with its nation-state members and boundaries that are variable in both in terms of territory and policy. Region-state sovereignty is therefore must more a process than a constant. But it is a process that affects not only the EU level but also the national. The EU not only has nothing close to the sovereignty of a nation-state, it has also altered the sovereignty of its nation-state members by transforming them into member-state nations. As Bickerton (2012) shows, European integration is best understood as a complex process of state transformation from nation-state members into member-states that involves the reconsideration of national sovereignty in European nation-states in the context of growing Europeanization and globalization.

Instead of the nation-state’s indivisible sovereignty, moreover, the EU has a shared sovereignty in which member states ‘pooled’ their sovereignty in the process of European integration by agreeing by treaty to share certain responsibilities that in the past were the purview of individual nations alone (Keohane and Hoffman 1991). Here, as authority has drifted upward in the process of European integration, as the countries making up the EU have moved from ‘sovereign nations’ to ‘member states’ (Sbragia 1994: 70; Bickerton 2012), the EU itself has been transformed from a federation of sovereign nations to a new kind of regional sovereignty. Such sovereignty depends not only upon the EU’s recognition from the outside, from other sovereign nation states, but also upon its acceptance on the inside, by its member states, policy area by policy area.

Notably, the EU on its own has none of the traditional attributes of nation-state sovereignty as defined by international relations theorists—whether international recognition from other states via ‘international law’ sovereignty; autonomy with regard to the exclusion of external authority via ‘Westphalian’ sovereignty; control over activities within and across their borders via ‘interdependence’ sovereignty; or exclusive power to organise authority within the polity via ‘domestic’ sovereignty (Krasner 1999). But it shares these to varying degrees and in various ways with its member-states, even as its member-states accepted limits to all four types of their own nation-state sovereignty in exchange for the gains that have come from the exercise of collective power and authority and the achievement of joint goals. For example, in international trade negotiations, EU member-states gave up their individual recognition by other states when they agreed to have their interests represented by the EU commissioner for international trade. In the monetary arena, most ceded their autonomy of decision-making to the independent authority of the European Central Bank while more recently they have also given up their budgetary autonomy to the European Commission in the context of the European Semester review exercise. In the Single Market, moreover, all member-states gave up individual control over what goes on in the national territory by agreeing to joint action initiated by the Commission. In addition, across policy areas EU member-states have given up their exclusive authority to organize the polity by accepting the precedence of EU institutions in setting policy and in judging compliance in an ever-widening array of domains. Most importantly, although such giving up of sovereignty is sometimes contested in practice, thereby attesting to the contingent nature of such ‘regional’ sovereignty—as when the French and Germans pushed a change in the deficit spending

criteria of the Stability and Growth Pact in the mid 2000s—the general principle has been consecrated (see discussion in Schmidt 2004, 2006, Ch. 1). Just consider the current respect for the rules governing the Eurozone, including the ‘six-pack,’ the ‘two-pack,’ and the ‘fiscal compact,’ which constitute the most serious incursions yet not only on traditional nation-state sovereignty but also on legitimacy since they give the Commission oversight over member-states’ budgetary decisions, even before national parliaments get a chance to consider them (Schmidt 2015).

As a result, contrary to theories about the EU ‘strengthening the state’ (Milward 1992; Moravcsik 1994), the national ‘state’ has lost not only autonomy (Westphalian sovereignty) and control (interdependence sovereignty) but also internal authority (domestic sovereignty). Even if state executives remain at the center of EU treaty negotiation, EU supranational actors—including the ECB, ECJ, and Commission—have gained major powers over national executives in a range of areas while societal interests and subnational authorities have increasingly made their voices heard during the more everyday EU policy-making process at the same time that the ever-growing number of regulatory agencies at both EU and national level have also taken over from the state executive in an increasing number of policy arenas.

Thus, in the terms of realist international relations theory, the EU member-states’ notionally ‘indivisible’ sovereignty could be described as increasingly ‘divided’ or shared through the transfer of nation-state competencies to different EU institutions. In the terms of more constructivist IR theorists (e.g., Biersteker 1999), however, the EU could instead be seen as constituting a new kind of shared regional sovereignty. This regional ‘sovereignty from the inside’ has depended upon the internal acceptance by member-states over time, and at different times, as the product of continuous negotiations among member-states and with EU institutions over when, how, and in which domains to allow decisions to be taken at the EU level. Regional ‘sovereignty from the outside,’ in contrast, has depended upon the continual adjustment by other sovereign nation-states to the EU’s internal processes of regionalization. In this sense, sovereignty is not just socially constructed but also ‘relational,’ since it is realized ‘through participation in the various regimes that regulate and order the international system’ (Chayes and Chayes 1995, p. 27—see also Schmidt 2006, p. 13).

Conceptualizing Boundaries in the EU’s Region-State, Within and Without

While the EU’s region-state sovereignty is in a constant process of adjustment, so are its boundaries within member-states and across them as well as beyond the current member-states. Within the EU’s member-states, most significant for their nation state integrity is the fact that, as Bartolini (2005) has argued, European integration has led to a ‘process of nation state boundary transcendence, resulting in a process of de-differentiation of European polities’ after a history of five centuries of progressive differentiation into nation states. This goes all the way from competition policy and state aid to the very boundaries of the welfare state, as Ferrera (2005) has shown, despite the clear lack of EU jurisdiction in this area. This boundary de-differentiation between the EU and its nation-state members has created variability not only within the EU—as member-states differ in

their membership in EU policy communities and themselves become more regionally differentiated—but also between the EU and its neighbours.

Boundary Variability within the EU and its Member-States

The fruits of nation-state boundary transcendence could arguably also be seen in the rise of sub-national regional movements for independence, encouraged to go it alone in the European Union by their state's loss of control over many state-defining areas in the belief that they would do better apart—as a 'nation' as well as a state. This has been most notable recently in the cases of Scotland and Catalonia. But even without such movements, a process of 're-scaling' has been in progress in which the regions have become spaces for the further differentiation of the nation-state 'from below,' by constituting a new meso-level of policymaking, political activity, and cultural expression that makes for increasing diversity within as well as between the member-states (Keating 2013). Across the member-states, then, de-differentiation results from pressures from above, at the EU level, and from below, at the regional.

All of this makes for a EU that is itself highly differentiated internally—which is only further complicated by the fact that the EU's boundaries remain unsettled. Instead of the nation state's notionally fixed boundaries, the EU's region-state boundaries are variable not just in terms of geographical borders but also in terms of participation in different policy sectors. Not only do we not know where the EU's finalité will be – will it stop at the Balkans, the Ukraine, Georgia, Turkey? But the EU's policies other than those related to the Single Market also have highly variable geometry – whether Schengen borders (minus the UK and Ireland but with Norway, Iceland, and Switzerland), Common Security and Defense Policy (without Denmark but with the participation of Norway in the Nordic Battlegroup and with all members being able to opt in or out), the Charter of Fundamental Rights (with opt-outs for the UK and Poland), even freedom of movement of workers, which excluded Romania and Bulgaria until 2014 (and for which the UK is now demanding an extension), and of course the Single Currency, which now includes 18 out of 27 member-states, the rest of which have either permanent opt-outs (UK and DK), are resistant but without opt-out (Sweden), or are eager but not yet ready to opt in (the other CEECs).

This country-based policy-related variability is likely only to increase over time given the possibilities for even more differentiation allowed by the Lisbon Treaty through 'permanent structured cooperation' in the defense and security policy arena and 'enhanced cooperation' in all others. 'Permanent structured cooperation' permits the greatest variability, since it enables any number of EU member-states to agree to deeper integration of their military capabilities and engage in joint military operations subject, of course, to their obligations under the various EU and NATO Treaties. It was also intended to enable member-states to create coalitions of any size under the umbrella of Common Security and Defense Policy (CSDP). But with the failure of any significant development of CSDP, with member-states mobilizing under the banner of the UN or NATO or going in on their own with the help of the US and, belatedly, other European countries (e.g., France in Mali), permanent structured cooperation has yet to become a permanent feature of EU military deployment (Howorth 2014).

‘Enhanced cooperation’ has surprisingly turned out to be a more promising vehicle for positive variability, despite the fact that it requires at least nine participant member-states, with authorization by the Council to be ‘a last resort’ decision when the Union as a whole cannot attain those same objectives within a reasonable period (Treaty of Lisbon, 2007/C 306/22/2). Enhanced cooperation has already been used in one area, in the divorce of cross-border couples, which was the result of EU member-states’ frustration with the obstruction of liberal countries like Sweden and conservative countries like Malta (which does not recognize divorce). It is also in process with regard to the harmonization of one kind of fiscal policy—the financial transaction tax. But it could and should be used more extensively in the future, say, to allow for the creation of ‘immigration zones’ that group together countries with similar immigration or asylum policies, for example, the CEECs, the Mediterranean countries, and Continental Europe; or even for the creation of ‘pools’ for health care provision among countries sharing borders (Schmidt 2009).

The fact that enhanced cooperation was even agreed in the Lisbon Treaty also signals member-states’ acknowledgement that a high degree of differentiation without integration—even fragmentation—remains the norm in a wide range of policy areas. Although monetary policy and the rules of fiscal discipline represent areas of increased convergence, defense and security is not the only area characterized by continued divergence and stagnation. Transport, communications, and infrastructure have also seen minimal integration or forward movement. Worse yet, however, are areas such as energy and the environment as well as migration, mobility, and asylum, which are subject to fragmentation and the risk of disintegration (Tocci 2014). The problem here is that continued differentiation without integration also undermines EU capacity to deal with challenges that the member-states themselves cannot solve on their own.

Boundary Variability between the EU and Neighboring Non-Member Nation-States

Differentiated integration is also increased by the presence in the EU’s region-state of ‘outside insiders’ like Norway, Iceland, and Switzerland that participate in the Single Market as well as in a range of other EU policy communities such as Schengen and ESDP but don’t have a vote. It is complicated by initiatives like the Bologna process for higher education harmonization, which was set up outside the EU by EU member states, includes most member states (but again not the UK) as well as many non-EU states across Europe, and was aided financially and administratively by the Commission. Differentiated integration was only further extended by the Eastern Partnerships and other ‘Neighborhood’ policies which by now involve deep and comprehensive free trade agreements, gradual integration into the EU economy, ‘mobility and security pacts,’ and the promotion of democracy and good governance.

The question of membership for countries on the periphery remains of special concern, in particular given the increasing geo-political tensions. One possibility would be to think of this in terms of ‘graduated’ membership. With this conceptual lens, membership would no longer be just a long term matter of ‘in’ or ‘out’ but also a shorter term question of ‘in which areas’ or ‘out of which areas’, once certain basic requirements are fulfilled, including the establishment of democratic practices, respect for human rights, and a

commitment to free markets. Graduated membership could be a spur to countries on the EU's borders to continue to liberalize and democratize, thus enabling the EU to maintain its 'power of attraction' (Leonard, 2005), which could be lost if it fixed its borders at any given point. Graduated membership would also ensure socialization into the consensual policymaking style of the EU as well as better compliance with EU rules, serving to avoid some of the problems with accession of some CEECs. Importantly, rather than a slippery slope, graduated membership should be seen as more akin to a long and winding road which gives both EU member-states and prospective members the time to get to know one another by engaging with one another as equals in one policy area after another—instead of as principal and supplicant—leaving both the time to decide whether they want continued accession into more and more areas or not (Schmidt 2009).

But such graduated membership would only be attractive to prospective members, as well as to outside insiders, if it were to come with institutional voice and vote in the sectors in which they participate. This inverts Prodi's promise to the neighbors of 'everything but institutions,' since the institutions need to come with policy participation, and both gradually. Otherwise, for countries in the EU's periphery, why try to meet the criteria demanding significant democracy and market opening when neighborhood policy allows entry into the European market with criteria that are more exhortatory than real with regard to democratization? And for countries like Norway, Iceland, or Switzerland that already participate in the Single Market in myriad ways, what is the value-added of graduated membership if they do not have a voice and a vote in the areas in which they participate (Schmidt 2009)?

In short, membership in the EU need not be an all or nothing proposition. Beyond certain basic membership requirements—being a democracy that respects human rights and participates in the Single Market—member-states have already come to pick and choose the policy 'communities' or clusters of which they wish to be a part. Member-states simply need a lens through which to come to see the nature of differentiated membership in the EU, and to realize that deeper integration is likely to go forward through increasingly variable policy communities.

That said, graduated membership with an option to join in the medium term is no longer as feasible for some countries as it may have appeared only a few years ago. However much countries in the eastern periphery might benefit from graduated membership in the EU, in terms of the democracy enhancing aspects as much as the economic, a range of new considerations arguably rule out anything more than a 'privileged partnership.' In the cases of the Ukraine and Georgia, geopolitical considerations involving Russia are the main obstacle. For a country like Turkey, a gradual accession process might have helped avoid the disillusionment that had already come from long drawn out hard-bargaining accession negotiations led by the Commission, the ever-present future possibility of veto (by Austria or France), and the ever-growing volume of the *acquis communautaire* negotiated without it (Schmidt 2009). But Turkey's slide backwards—in terms both of democratic norms under Prime Minister and then President Erdogan and of its general slowdown in closing chapters in the accession process—suggests that it may continue to remain in limbo, refusing any talk of a 'privileged partnership' as too little too late while

not doing the necessary. This suggests that in addition to active graduated memberships, there may be ones that remain frozen, at least for the foreseeable future.

But with all these different forms of membership—full and potentially ‘graduated’—along with the increasingly variable boundaries across policy areas, all of which diminishes traditional notions of national sovereignty, how does the EU region-state hold together in terms of identity and how can it govern legitimately?

Conceptualizing Identity in the EU’s Region-State

Unlike the nation state, which tends to have a coherent identity, the identity of the EU region-state is composite. EU citizens have different senses of identification with the EU while elites have different visions of what the EU is and should become. Eurobarometer polls have shown time and again that European citizens maintain a stronger identification and sense of belonging within the member states than with the EU, even though close to a majority have a composite European identity, with the European second to the national. Member-state elites have very different visions of what the EU should be institutionally, how it should regulate the economy, how far it should enlarge in terms of territory, and how it should act in the world. These divide into discourses about the nature of European integration, whether as a borderless free market or a bordered values-based community, and the EU in the world, whether as principled, rights-based actor or as a strategic actor ‘doing international relations differently.’

EU Identity versus Nation-State Identity and its Construction

EU identity is nothing like that of a nation-state, since it lacks the nation state’s ‘thick identity’ in terms of a shared sense of collective identity and loyalty, meaning ‘the kind of homogeneity of the organic national-cultural conditions on which peoplehood depends’ (Weiler 1995). However, national identity is not just a question of ‘being’ but of ‘doing’ through national political, economic, and social structures and activities that build a sense of belonging (Howorth 2000). Even though the EU’s ‘being’ may be quite weak, its ‘doing’ is strong, given how much member states have engaged in building the EU through policy-making in an ever-increasing number of domains. A political community need not be based primarily on ethno-cultural identity but rather, as Habermas (1996, p. 495) argues, on ‘the practices of citizens who exercise their rights to participation and communication.’

The major problem for the EU’s identity, however, is not so much its being or its doing as its ‘saying’, because the EU depends upon the member states to speak for it. This they have done this neither very well, given widespread blame-shifting and credit-taking on policy issues, nor very much, given silence on the ‘polity’ issues (Schmidt 2004, 2006). Moreover, ‘saying’ anything about Europe competes with national identity-building, which is something in which the national state has naturally always taken an active role, by constructing an ‘imagined political community’ using mass communication, mass education, historiography, and conscription to consolidate the nation (Anderson 1991: 6-7). Much of this is missing in the EU, despite its attempt to use some such tools, with symbols such as the European passport, European license plates, the European flag, the

European anthem, and the euro, as well as various citizen exchange programs and academic projects (Shor 2000; Sonntag 2011).

The EU has been less successful than its member-states in building identity not only because it depends in large measure on its member-states to build a sense of Europe but also because it is imagined mainly through the different lenses of national identity and purposes, with the Europe represented in the public imagination portrayed differently in different member-states, given their very different senses of identity in the EU (Risse 2010). These identities have been forged over the course of their membership and reflect such things as the conditions and history of their accession, the patterns of their participation, their ideas about the country's role and place in the EU, their relative economic power and political clout in the EU, their size as a small or large member state, and their views of the impact of the EU on nation-state identity. National identities, in the sense of national frames based on history, culture, and interests, also have a significant impact on how member states construct their identities in the EU (Diez Medrano 2003; Risse 2010; Schmidt 2012).

National political elites, who simultaneously act as EU policymakers have played a key role in articulating visions of the EU that have had a major influence on public perceptions, especially during the early years of the 'permissive consensus' up until the 1990s. Since then, these elites' discourses often reflect the greater contestation coming from an increasingly 'constraining dissensus' (Hooghe and Marks 2009), in which divisions over the EU as well as, more generally, between more open and closed views of Europe and citizenship have been growing (Kriesi et al. 2008). The media have also played a major role in mediating between elites and citizens, and in particular in shaping public opinion on the EU through what and how they report and comment on the EU (Koopmans and Statham 2010; Risse 2010). But how intellectual elites have debated the EU equally affects how both national publics and national elites more generally think about the EU (Lacroix and Nicolaïdes 2010). Social movements also play an increasing role in affecting public opinion and leaders, in particular on issues of great political salience, such as the mobilization against the Constitutional Treaty. European member state elites' discourses have also, naturally, been strongly influenced by past elites' ideas and commitments, whether because of the 'rhetorical entrapment' engendered by previously accepted policy obligations (Schimmelfenig 2001) or the ideational trap resulting from the institutionalized ideas of their predecessors (Parsons 2003).

For all this, a European public sphere has nonetheless been developing, albeit very slowly (Koopmans and Statham 2010), as European publics increasingly concern themselves with issues in other member states, making for overlapping European public spheres rather than a single one (Risse 2010). In this context, the Eurozone crisis could be seen as having accelerated the speed of development of the European public sphere—but not necessarily in a positive way, as it has contributed to the polarization of views across national public spheres, and in particular between Northern and Southern Europe (Kriesi et al. 2012).

Elite Discourses on EU Identity

Moreover, although EU elites have at least twenty-eight different, nationally based European identities (not to mention the further divisions within countries), their visions of the EU very generally fit into one or more of four basic discourses (the first three discourses follow Eriksen and Folsum 2004 and Sjursen 2007; the fourth, Howorth 2007; see discussion in Schmidt 2012). The first two discourses focus on the nature of European integration. They divide between a pragmatic discourse about the EU as a problem-solving entity promoting free markets and regional security and a normative discourse of the EU as values-based community ensuring solidarity. Whereas the pragmatic discourse is largely characteristic of Britain, Scandinavian countries, Central and Eastern European countries (CEECS), and to a lesser extent Ireland, the normative discourse is most identified with France and Germany but also includes the other founding members.

The second two discourses are much more about the purpose of the EU in the world. The principled discourse of the EU as rights-based post-national union promoting democratization is attributable mostly to the Commission and to ‘cosmopolitan’ philosophers (e.g., Habermas). It is to be contrasted with a strategic discourse of the EU as global actor ‘doing international relations differently’ through multilateralism, humanitarian aid and peacekeeping. While the former discourse has largely been focused on enlargement and the European ‘neighborhood,’ the latter discourse for the most part has been about responding to global challenges such as the financial crisis, climate change, poverty and terrorism. It has tended to emphasize the gradual move to a post-Westphalian order based on the rights of individuals as much as the rights of states (Howorth 2007, 2014).

These four elite visions have divided most dramatically on the question of the EU’s boundaries (Schmidt 2012). While member-state elites with a pragmatic vision of a borderless free market and security area have promoted ‘widening’ without seeming end, including enlargement to the Ukraine, Georgia, and even Turkey, under the assumption that the problems of trade and security are best solved by continuing enlargement, those with a normative discourse of a bordered values-based community have favored ‘deepening,’ with the borders stopping after the Balkans, if that. Notably, some pragmatists have also taken up the principled, rights-based discourse in favor of enlargement (e.g., Leonard 2005), whereas both pragmatists and normativists have adopted the strategic discourse of ‘doing international relations differently’ in recent years—which for some constitutes another kind of normativity via the EU’s ‘normative power’ (Manners 2002; Laïdi 2008). But that normative power may very well have come a cropper in the Ukraine, where the Commission push to get the country to sign a privileged partnership agreement—whether seen as part of a pragmatist, principled, or strategic vision—has precipitated a major crisis with Russia, and the annexation of the Crimea.

For the moment, member-state leaders continue to remain split on the question of boundaries, in particular as to whether it is to be a borderless free market (pragmatic vision), a bordered values-based community (normative vision), or a border-free rights-based union (principled vision). But this is where reconceptualizing the EU as a region-

state might help. If the EU were seen as made up of overlapping policy communities, with the single market, democracy, and respect for human rights as the underlying unifiers, membership as well as enlargement could be seen as a question of ‘in which areas’ or ‘out of which areas’ rather than all or nothing. This makes room for all four visions of the EU: some member-states can belong mainly to the market, or also participate in global action, while others may move toward deeper communities of values in one or another range of policy areas. This would conceivably produce a more open way of conceiving of EU identity with regard to what the EU is and how far it should go.

But this way of envisioning the EU as an entity with multiple identities to reflect the variable boundaries of membership, however useful for general purposes, does little to help to respond to the stress on specific identity constructions that result from the Eurozone crisis. One such construction is exemplified by the split—presented from the dominant Northern European view—as between economically ‘virtuous’ Northern Europeans whose export-based competitiveness explains their high current account surpluses, versus the ‘spend-thrift’ Southern Europeans who didn’t obey the rules. The story is naturally different from the Southern Europeans’ side, who rather see Northern Europeans as failing to recognize their shared blame for the crisis (e.g., the deficits racked up in the South due to Northern lending practices), and as lacking in social solidarity (Schmidt 2014, 2015). This increasing division in economic identity constructions—in which the ‘other’ now appears to be inside Europe, between groups of member-states, rather than mainly outside—is a result of as much as a challenge to governance and democratic legitimacy in the EU.

Conceptualizing Governance in the EU’s Region-State

Unlike nation states that have established governments, the EU’s region-state has ‘governance’ (Kohler-Koch 1996; Jachtenfuchs 2001). This means governing without an established government through multiple authorities in highly complex sets of interrelations with state as well as societal actors at multiple levels in policy areas with different styles of governance. Such diffusion of the EU’s governing activities among countless state authorities and societal actors makes for a highly compound governance system (Schmidt 2004, 2006; Fabbrini 2010). This is because the EU is not only multi-level (Marks and Hooghe 2001), since it includes EU, national, and regional levels, it is also ‘multi-centred’ (Nicolaidis 2001), as a result of the geographical dispersion of its governing activities, and it is ‘multi-form.’ This makes for differences in the institutional fit between the EU its member-states, with a differential impact not only on member-state institutions but also on national conceptions of sovereignty and identity.

EU Impact on its Nation-State Members

The multi-form nature of the EU results from the differing institutional designs of its member states, which sit along a continuum from more ‘simple’ polities in which governing activity tends to be channelled through a single authority (via unitary states, statist policymaking, and majoritarian representation), as in France or the United Kingdom, to more ‘compound’ polities in which governing activity is more dispersed across multiple authorities (via federal or regionalized states, corporatist policymaking,

and proportional representation), as in Germany and Italy (Schmidt 2006). The impact of the even more highly compound EU is therefore experienced differently by different member-states, depending upon their own institutional configurations.

Very generally speaking, the institutional design of more simple polities enables them to ‘upload’ their preferences more readily, given the concentration of authority that enables them to speak in one voice in the EU, compared with compound polities in which authority tends to be dispersed both vertically with subnational units and horizontally among different ministries (Schmidt 2006, Chapter 2). However, that same institutional design makes the EU in principle more disruptive for simple polities, by diffusing their traditional concentration of power. This in turn represents a greater challenge not only to national government powers in simple polities but also to their traditional state-focused conceptualizations of sovereignty and identity. In France, for example, the increasing weight of EU governance has represented a threat to the conceptualization of the all-encompassing duties of ‘l’*État républicain*’ as well as to France’s notions of its *grandeur*. That said, in practice, compound polities have also had to adapt to the EU institutionally, by righting the disruptions to national balances of power resulting from the reinforcement of executive power at the EU level. But here, this ended up representing less of a challenge to traditional conceptualizations of national governance because compound polities have been able to change institutionally to match their conception of federal balance—as in the case of the German regions as well as the Belgian and Austrian which then followed the German example (Schmidt 2006, Chapter 5).

Institutional design, however, is not destiny. National elites’ discourse can serve to deflect or to reinforce the institutionally rooted clash with long-standing national conceptions of sovereignty and identity. Simple polities differ with regard to how they have responded to the challenge. While French leaders, beginning with de Gaulle, have been adept at overcoming the challenges through discourses that presented membership in the EU as an extension of sovereignty by enabling the country to lead politically, which thereby served to reinforce identity, British leaders did little to counter the EU’s conceptual challenges to sovereignty or identity. By presenting EU membership as mainly involving economic interests, they left it increasingly vulnerable to attacks from those who lamented the EU’s undermining of parliamentary sovereignty and an identity focused on the rights of Englishmen—in particular since Thatcher. The drift in public sentiment, reinforced by an unrelentingly anti-EU mass media, helps explain the increasingly Euroskeptic bent of the population, and the possibility that the promised referendum on membership in 2017 will lead to ‘Brexit’ (British exit from the EU).

Elites in compound polities have had less to do conceptually to adapt national ideas about sovereignty and identity to the changing realities of deeper EU integration. This includes both Germany, which has always conceived of its system as ‘semi-sovereign’ and submerged German identity into the European (as a way to leave the past behind), and Italy, which has welcomed the EU as the ‘rescue of the nation-state,’ and has long had an enthusiastic identification with the EU as one of its founding members (Schmidt 2005, Chapters 2 and 5).

For all such countries, however, whether simple or compound, the Eurozone crisis has strained identity constructions and raised questions about loss of sovereignty. This can be seen most clearly in the spectacular rise in euroskeptic and/or anti-euro parties in the past few years: in France, Marine Le Pen's National Front, which was the victor in the EP elections; in the UK, Nigel Farage's UK Independence Party, which also came out ahead in the EP elections; in Germany, the appearance of the AfD and its subsequent victories in regional elections; and in Italy, in the successes of the Five Star movement headed by Beppe Grillo.

The EU Region-State's Multiple Modes of Governance

The impact of the EU on its member-states is further complicated by the fact that the EU has several distinct policymaking styles, all of which differ significantly from anything found in a nation-state. The EU's dominant policy formulation process, the 'Community Method,' involves a wide range of governmental actors (Council, European Parliament, Commission) along with non-governmental actors (mainly business, labor, and public interest groups) in a process of 'joint decision-making.' This process is arguably closest to the pluralism of the United States—in which interests have access and influence in policy formulation while being largely excluded in policy implementation, where the regulatory model prevails. The difference is that the EU policy formulation is less open or political as well as more cooperative because of (apolitical) Commission gatekeeping and management of the process, while regulatory implementation is more delegated and less uniform in application, given the role of member-states in transposing and enforcing the rules (see Schmidt 2006, Ch. 3). Over time, the Community Method has become the dominant approach in everyday policymaking in the EU, mainly as the European Parliament gained in powers and authority, the Commission in responsibility, culminating in Council designation of the leader of the majority in EP elections in May 2014 as Commission President.

Although 'intergovernmentalism' had been the predominant mode of governance in the early years, the Community Method gradually replaced it in one policy sector after another. That said, intergovernmentalism remains significant for all major initiatives requiring treaties—and has come back with a vengeance during the Eurozone crisis. Intergovernmentalism consists of multilateral decision-making by member-state executives in the European Council or Intergovernmental Councils, and is naturally much more 'plural' than executive decision-making in any nation-state. In the EU, there is no real equivalent to national executives' power to act unilaterally in certain domains—in particular in the most sovereignty-defining ones, such as foreign policy or security and defense. As a result, while the EU's multiple executive may show great initiative when its member-states can agree to act multilaterally—the extraordinary development of the EU itself being the best illustration of this—where they do not agree, the EU is largely incapable of joint action. This was most notably the case of European policy on the Iraq war in 2003 (although its member-states can and do act, but as separate nation-states and/or under the flag of the UN or NATO, as in the cases of interventions in Libya, Syria, and Mali) (Howorth 2014). More generally, the unanimity rule for treaties makes it very difficult for the EU to act where any one member-state is opposed—which is the reason why qualified majority voting (QMV) and/or the Community Method was substituted in

one policy area after the other over the years. But there is no getting rid of the unanimity rule, given the Catch-22 that would require unanimity to get rid of the unanimity rule (Schmidt 2009)

That said, where the EU member-states in the Council feel forced to take action, as in the Eurozone crisis, they can and do—but arguably with perverse results. In the crisis of the Euro, the economically most powerful member-states predominated, most notably Germany. This has been apparent not only in Germany’s single-handed delay of Eurozone member-states taking action at the onset of the sovereign debt crisis until it was almost too late—with the loan-bailout rescue of Greece in May 2010. It was also clear in Germany’s *quid pro quo* demand that all countries agree to reinforce the rules of the Stability and Growth Pact as well as engage in austerity policies—in line with Germany’s own ‘stability culture—in exchange for the Greek loan bailout and the loan bailout mechanisms for other countries under threat of contagion (Bulmer and Paterson 2013; Howarth and Rommerskirchen 2013; Schmidt 2015). Interestingly enough, Germany was even able to get around the unanimity rule when, in response to British Prime Minister’s veto of the Fiscal Compact (yet another reinforcement of the rules demanded by Germany), Eurozone member-states plus Sweden and Poland agreed to an intergovernmental treaty outside the EU treaties.

In contrast to intergovernmentalism, where the plural nature of the executive along with the threat of veto tends to remain a source of weakness, inaction, or coercive action, ‘supranationalism’ —in which certain authorities have delegated powers to act for the EU, including the European Central Bank (ECB), the Competition authority, the International Trade representative, and the European Court of Justice (ECJ)—provides arguably greater capacity for unilateral action than in any nation-state. The ECJ’s activism has gone way beyond anything like that of the US Supreme Court or the German Constitutional Court; the ECB’s independence has been much greater than that of the Federal Reserve Bank, the Bundesbank, or any other central bank; the Competition Directorate’s interventionism has been much more extensive than that of the Anti-Trust Division of the Justice Department or the Federal Trade Commission; and the international trade representative has had greater freedom of action than in any nation-state, where the executive and/or legislature can always intrude. In the EU, once member-states have given their okay on a set of negotiating principles for international trade, they find it very difficult to change the negotiating terms, let alone amend or veto any agreement. The ECB during the Eurozone crisis, for example, has acted over and over again to ‘save the euro’ as the Council dilly-dallied, reinterpreting its own Charter more and more broadly, as it went from insisting that it was not and could never be a ‘lender of last resort’ like the Federal Reserve Bank or the Bank of England (by buying sovereign debt) to doing so in all but name by summer 2012.

Lastly, the ‘open method of coordination’ (OMC), consisting of policymaking without clearly specified policies, has the greatest promise for forward movement in areas where the EU has little formal jurisdiction and national systems are so different as to obviate any common policymaking, such as in social and employment policy. OMC relies on member-states’ willingness to cooperate in non-binding agreements that set targets for

change, with benchmarking exercises based on common but highly vague sets of goals, in which countries learn from one another's 'best practices' and are 'named and shamed' if they fail to meet their self-set targets (de la Porte and Pochet 2002). But while this has great potential in areas where national divergence makes EU level intergovernmental, joint, or supranational decision-making difficult if not impossible, the very vagueness of the targets and the self-reporting nature of the process has meant that it has had mixed success at best (Zeitlin and Pochet 2005), and risks being seen as an exercise in smoke and mirrors. Even more significantly, perhaps, whatever its success, OMC has had little effect on policies that may have exacerbated the problems it was designed to resolve, such as the potentially negative impact on unemployment by ECB interest rates or by competition rules on aid to industry (Scharpf 2002, pp. 654-656)—not to mention the harsh austerity imposed by the 'Troika' in 'program' countries in need of bailout, such as Greece, Portugal, and Ireland.

Once the Eurozone crisis hit, in fact, OMC was largely abandoned for less voluntary modes of reform, even outside the program countries. For example, the 'European Semester'—a framework through which to coordinate member-state budgetary and economic policies to ensure they followed the reinforced rules—gave the Commission quasi-independent powers and discretionary authority to enforce the various oversight functions of the macroeconomic imbalance and excessive deficit procedures. This made the Commission's policymaking more akin to supranational governance in this domain. But unlike the supranationalism of the highly autonomous ECB, the Commission remains accountable to other authorities, mainly the Council and to a lesser extent the EP. This may be why, even in the face of the poor performance of the countries under its supervision, the Commission stuck to the strict enforcement of the rules—or at least the appearance of such, since over time its discourse remained harsh even as it became more accommodating (Schmidt 2015).

Conceptualizing Democratic Legitimacy in the EU's Region-State

The democratic legitimacy of this complex governance system has been a matter of contention ever since the 1990s, when the question of the European Union's democratic deficit first arose. Prior to the Euro Crisis, the scholarly debate remained open as to whether the EU suffered from a democratic deficit, with some scholars arguing that it didn't (e.g., Caporaso and Tarrow 2008; Majone 1998; Moravcsik 2002) while others insisted that it did (Follesdal 2006; Hix 2008 and even Majone 2009). That division has largely disappeared, as most scholars now see a significant democratic deficit resulting from the EU's policies, politics, and processes. Some fault the deleterious consequences of EU policies of austerity and 'structural reform,' in particular for the political economies of peripheral member-states (Scharpf 2014; Blyth 2013). Others decry the lack of citizen political engagement in, let alone impact on, EU decision-making, and worry about the concomitant rise in citizen disaffection accompanied by growing political volatility (Kriesi et al., 2008; 2013). Yet others blame the poor quality of EU policy processes, with the increase in supranational and intergovernmental rule to the detriment of the 'Community Method' and any significant involvement of the European Parliament (EP) (Scharpf 2014; Fabbrini 2013; Schmidt 2013).

These arguments map well onto the ways in which democratic theorists have long discussed the mechanisms of democratic legitimation in the EU, building on systems theory (Scharpf 2000). Legitimizing mechanisms involve not only the ‘output’ effectiveness of the EU’s policies and the EU’s ‘input’ responsiveness to citizens’ political concerns (Scharpf 1999, 2012) but also the ‘throughput’ quality of the EU’s policymaking processes (Schmidt 2013). The quality of the governance processes has long been among the central ways in which EU institutional players have sought to counter claims about the poverty of the EU’s input legitimacy and to reinforce claims to its output legitimacy. In so doing, they have operated under the assumption that good throughput may operate as a kind of ‘*cordon sanitaire*’ for the EU, ensuring the legitimacy of EU level output and attention to input. But what they have failed to recognize is that throughput quality does not involve the same kind of trade off as between output and input, whereby good output generally compensates for little input and a lot of input can make up for failed output. Instead, the impact of throughput is generally felt only when it is problematic. When ‘throughput’ governance appears oppressive, incompetent, corrupt, or biased, it is likely to throw input and output into question by seeming to skew representative politics or taint policy solutions (Schmidt 2013). And with the Euro crisis, this is essentially what has happened, with the rise of the extremes in input politics a direct response to (different) popular perceptions in the North and the South that the governance processes are oppressive, incompetent, and/or biased.

Complicating matters for the EU is its multi-level governance system, which largely splits its legitimizing mechanisms between EU and national levels. Because the EU lacks the input politics of a directly elected government, its democratic legitimacy rests primarily on output policies and throughput processes at the EU level. Input legitimacy is instead situated mainly at the national level. The dynamics of EU decision-making have been such that the national level has largely become the domain of ‘politics without policy,’ as policy decisions are increasingly moved to the EU level while the political debates of the left and right remain confined to the national arena. The EU level instead is characterized largely by ‘policy without politics’, since the EU’s policy output via its throughput processes provide little opportunity for input politics (Schmidt 2006). In the EU, the politics of the left and right are mostly overshadowed by the politics of national interests in the Council (where member states bargain on the basis of national preferences and concerns), the politics of the public interest in the European Parliament (in which consensus and compromise are the rule, given that supermajorities are needed to prevail in co-decision procedures), the politics of organized interests in the Commission (whose focus is on pluralist policy formulation) and/or the politics of technocratic interests in the technical implementation of EU policy (Schmidt 2006: 21–29). Consequently, there is generally neither the desire for the kinds of political debates that are the daily bread of national politicians, nor is there the opportunity, given the absence of a clearly visible and integrated European-level arena for discussion and deliberation. Moreover, the very language and discourse at the EU level tends to be apolitical and technocratic, in part to enable EU leaders to cast their discussions of EU policies in whatever way they deem appropriate for their national political audiences (Schmidt 2006; Barbier 2008).

The Eurozone crisis has only exacerbated this lack of political debate (input), given the decision-making processes (throughput) that include the absence of EP involvement in most Eurozone decisions, the increasing primacy of intergovernmental decision-making by the Council in closed-door bargaining sessions and of supranationalism in both the technocratic rule of the Commission following those decisions and the independent role of the ECB (Fabbrini 2013; Scharpf 2014; Schmidt 2015). All of these factors combine to reinforce the perception of EU output policies and throughput processes with regard to the Eurozone as highly apolitical. However, in reality, the EU's economic policies (output) are highly political and conservative, generally following *ordo-liberal* (German) theories on the need for austerity rules to ensure 'sound money' and 'stable finance' and neo-liberal ideas of 'structural reform' in response to problems of growth (see Jones 2013; Schmidt and Thatcher 2013). Moreover, the EU-level throughput processes imposing these policies remain largely inaccessible to EU citizens, whose political input is supplied primarily at the national level and has no impact on EU output policy. Governments, moreover, have increasingly focused on 'responsible' governance (in tune with output legitimacy, as defined by the EU) as opposed to 'responsive' governance (which would be more in tune with input legitimacy) (Mair 2013). As a result, since the crisis began, citizens' attitudes towards both their national governments and EU governance have deteriorated dramatically, in lock step with their economies.

Recognizing the EU as a region-state, in short, also offers a lens through which to bring its problems of democratic legitimacy sharply into focus, and suggests that any solutions need to seek to make output, input, and throughput work better at both levels. Input reforms that anticipate an elected Commission President and greater links between national and European parliaments are steps in the right direction. But greater quality throughput via better national-EU level linkages is also necessary—in particular in light of the emphasis during the Eurozone crisis on 'governing by the rules and ruling by the numbers' (Schmidt 2015). That said, unless better output policies are designed to respond to the crisis, input politics are likely only to get more volatile, and no manner of throughput processes, however accountable and transparent, will help.

Conclusion: Conceptualizing the future of the EU Region-State through differentiated integration or differentiated disintegration?

Conceptualizing the EU as a region-state has not only provided a lens through which to consider the nature and scope of its shared sovereignty, variable boundaries, composite identity, highly compound governance, and fragmented democracy, with legitimacy split between the increasing predominance of output policies and throughput processes at the EU level while political input remains national level. It has also facilitated the theorization of how all of these components have interacted poorly in a EU in the throes of the Eurozone crisis.

The final question is whether the conceptualization of the EU as region-state helps us understand the future. This is important in particular at this juncture, as policymakers and analysts have been considering what to do in light of deepening integration in the Eurozone countries versus the rest. Although for the moment such deepening has mainly

been via stringent rules-based governance, the focus of discussion has been on greater integration via banking union, fiscal union, and even political union. The essence of the debate has been focused on EU governance, with various groups of analysts (e.g., the Glenicker group (2013), the Eiffel group (2014), and the Future of Europe initiative (2012)) having a distinct preference for seeing the future of the EU as made up of two-level concentric circles. In the center would be a ‘core Europe’—in which a ‘federal’ core could be more or less compact (e.g., founding members of the EU plus Spain and Poland, or all Eurozone members)—surrounded by a larger circle around it constituted by a looser group of members united by the Single Market. Member-state leaders have also supported this approach, most notably President Hollande (2013), who called for a ‘core Europe’ featuring an ‘economic government’ (see discussion in Tocci 2014).

The problem with any such an approach is that it ignores the realities of the EU’s overlapping policy communities made up of clusters of member-states, with their variable boundaries in terms of membership, and the likelihood of their increasingly variability over time. Such initiatives also fail to recognize the divisions among member-states that would make up the inner and/or outer circle, whether in terms of visions for the EU or identity within the EU, let alone differing concerns about incursions on sovereignty or democratic legitimacy. And they disregard the effects of the Eurozone crisis, which has increased differences among member-states, in particular between Northern and Southern Europe, but also between inside and outside the Eurozone.

In addition to these problems, all outlined throughout this chapter, are further practical questions such as which member-states are to be included and which excluded, in particular if member-states to be left out might have capacities necessary for the core to succeed in a given area (e.g., Britain in defense and security policy; Sweden on the environment, etc). And if all member-states are notionally to become members of the core at some later date, does it make sense to exclude them now? Moreover, wouldn’t all of this only increase citizens’ sense of alienation from a European Union even more difficult to understand, let alone influence? Finally, how to overcome the existing differences in the application of the rules related to the Eurozone crisis, where all member-states have signed up to the SGP, the European Semester, and the ‘Six-Pack’ legislation (requiring all members above 60% debt to move toward compliance and be subject to the Macroeconomic Imbalance Procedure); all but the UK and the Czech Republic, to the Treaty on Stability, Coordination, and Governance (the so-called ‘Fiscal Compact,’ which reinforces the legislation above by making it a treaty as well); 23 member-states, to the ‘Euro Plus Pact’ (17 eurozone members plus Bulgaria, Denmark, Latvia, Lithuania, Poland, and Romania, focused on improving competitiveness, employment and fiscal consolidation); and 17 (only eurozone) member-states to the ‘Two Pack’ (strengthening provisions of the European Semester and financing mechanisms such as the ESM and the EFSM) (Tocci 2014)?

In short, creating a future EU with a ‘federal core’ cannot work for a whole host of reasons, and should not even be attempted. This is not to suggest, however, that the EU is now to be ‘*Europe à la carte*,’ as the free marketeers might wish. Nor is it to encourage the communitarians to retreat to an exclusive ‘core Europe,’ with one set menu

(prix fixe, pas de substitutions?) for the chosen few. Rather, this is an elaborate ‘menu Europe,’ with a shared main dish (the Single Market), all member-states sitting around the table and engaging in the conversation, and only some choosing to sit out one course or another (Schmidt 2009). If we add graduated membership to this, we could imagine additional guests joining the diners at the table for particular courses and, slowly over time, partaking of more and more dishes even as they learn the manners of the table and the rules of the conversation. Moreover, if we thought of moving forward in particular areas in terms of ‘regional clusters’ of member-states in areas such as security, energy, and immigration (Tocci 2014), the EU could promote innovative action without jeopardizing its overall cohesion.

The EU, in other words, is and will continue to be a highly complex community of nation-states turned member-states, in which deepening integration will be accompanied by continuing differentiation, within member-states as well as across them, with different clusters of member-states belonging to different policy communities that shift over time. The danger, in particular given the Eurozone crisis that has been a catalyst for increasing polarization in terms of politics and identity, is differentiated disintegration. The best remedy against this is for leaders to develop new visions of what the EU is and where it should go along with new political processes that reduce the democratic deficit by bringing citizens back into policymaking at national and EU levels. The purpose of this chapter is to show that using lens of the EU as ‘region-state’ could and should facilitate such a re-envisioning of the EU in terms of both its present and its future.

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