<u>Discussion Draft</u>

REASSESSING REGIMES: THE INTERNATIONAL REGIME ASPECTS OF THE EUROPEAN COMMUNITY

by

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The theoretical study of the European Community has traditionally been undertaken according to theories of international integration. After all, the EC is the result of the economic integration or unification of sovereign nationstates, and integration theory has been developed to explain the process and end-state of such unification. More recently, however, scholars have written that integration theory is no longer useful for studying the creature into which the EC has evolved, and into which the Community is still evolving (see, for example, Pinder, 1981; Hoffman, 1982; Wallace, 1982, 1983). This development has led to an increasing amount of scholarly work on what type of institution best describes the EC, and therefore what theoretical framework best explains the EC at its current stage of development.

In this paper, I will briefly describe two basic conceptualizations of what type of institution the EC is: international organization and confederation. Then I will argue that, regardless of what type of institution the EC is, there is a regime associated with it. Finally, I will outline the regime aspects of the Community.

Harold K. Jacobson, in his book, <u>Networks of</u>

<u>Interdependence</u>, argues that the European Community is an international organization established by an agreement between governments: an international government organization (IGO) (Jacobson, 1984, pp. 4-5). Specifically, it is an IGO with "unprecedented political authority" which is able to act directly

on citizens and firms within the member states (e.g., tax, regulate), as opposed to traditional IGOs which act only on the governments of the member states (Jacobson, 1984, pp. 44-45). This characteristic has led to the use of the term "supranational organization" to describe the European Community. In addition to possessing significant political authority, supranational organizations "within their spheres of competence . . . do not need to rely on states to promulgate their decisions; indeed, in these areas their decisions have precedence over those of national governments" (Jacobson, 1984, pp. 45-46).

That the European Community has been categorized as an international governmental organization is admitted by Christopher Brewin; however, he argues that the EC is "now better conceptualized as a union of states . . . than as an organization" (Brewin, 1987, p. 1). Although the EC started out as an international organization, and although it is still viewed as such by many actors and even some of its own institutions, Brewin cites several examples of how it is distinct from an IO. First, as a result of its development into a trading power and its increasingly important role in world affairs, it is now necessary for other international actors to treat it as a union of states. Second, when third countries deal with the Community, they do so not as delegations or missions to an IO, but as negotiators as if the EC were a state. And finally, the

economic summits, in the North Atlantic Fisheries Organization, and in certain commodity-specific organizations (Brewin, 1987).

The conception of a union of states was originally set out in Henry Sidgwick's <u>The Elements of Politics</u>. Sidgwick distinguishes a union of states from both an alliance (a union of states has a common organ for decision-making) and a federation (states of a union retain a substantial degree of independence in foreign relations and citizens in a union tend to be loyal to the state rather than the union) (Sidgwick, 1897, pp. 530-546). This idea is further developed by Murray Forsyth (1981).

Forsyth defines a union or confederation as "federal" in nature but which "falls short of a complete fusion or incorporation in which one or all the members lose their identity as states" (Forsyth, 1981, p. 1). A union is based on a treaty between states which goes further than typical interstate treaties by granting the union a legal personality with an "original capacity to act akin to that possessed by the states themselves" (Forsyth, 1981, p. 15). The important action that a union of states is able to undertake which is similar to that of states is making laws which are binding on its members. International organizations created by "typical" interstate treaties do not have a similar power.

After a discussion of several examples of unions of states and theories of unions, Forsyth discusses a distinct category of union: the economic union. The purpose of an economic union or confederation is to transform external trade into internal trade,

to create one market out of several markets. The author argues that the EC is such an economic union, where formerly external trade has become internal trade, where the Treaties establishing the EC are more than typical interstate treaties, granting powers to EC institutions normally reserved for states, and altering the constitutions of member states (Forsyth, 1981, p. 184).

The conceptualization of the EC as a confederation is also held by William Wallace. He claims that the EC is ". . . best understood in the familiar terms of political analysis, not in the arcane language of functionalism or the loose concepts of regime theory" (Wallace, 1982, p. 57). In contrast to the authors cited above, Wallace emphasizes the distinction between the EC as a confederation and the EC as an international regime rather than the distinction between the EC as a confederation and the EC as an international organization.

Wallace's conceptualization of the EC as a confederation is based on the possession by the Community of "authority and resources . . . which effectively limit the behaviour of the member states and which impose obligations on them which are generally accepted" (Wallace, 1982, p. 61).

Most distinctively, the Community is possessed of legal and of taxing powers which mark it out from any other international regime or intergovernmental grouping. The direct effect of Community law on the citizens and corporate bodies of the Community makes national courts no longer sovereign in areas within the competencies of the Treaties, and national parliaments no longer sovereign in passing new legislation in those areas (Wallace, 1983, pp. 405-406).

Wallace's conceptualization seems to be a combination of Forsyth's and Jacobson's, although he agrees with the former that the EC is a confederation. Wallace and Forsyth both emphasize the legal personality that the EC possesses, and how that characteristic, in part, qualifies it as a confederation. Like Jacobson, Wallace claims that the EC possesses authority over member states including the ability to directly tax citizens and corporations within member states. Additionally, Wallace and Jacobson write in roughly similar terms about the EC's influence, within its areas of competence, over member states. Wallace claims the member states have lost sovereignty to the EC in those areas, while Jacobson only discusses a loss of decision-making power.

However, Jacobson would agree with Wallace's emphasis on sovereignty as a distinguishing factor between international governmental organizations and states. Whether the state was unitary, a confederation, or a federation, it has sovereignty, whereas sovereignty in an IGO remains with the member states (Jacobson, 1984, p. 16). In his discussion of supranational organizations, Jacobson states, "Supranational organizations have some of the attributes of governments of federations or confederations, but they fall short of a complete merger of sovereignties" (Jacobson, 1984, p. 46). Therefore, according to Jacobson, the "locus of sovereignty" is the important distinction between IGOs and states, and thus the important distinction between the EC as a supranational organization and the EC as a

confederation. On the one hand, Jacobson argues that the locus of sovereignty in Western Europe is at the state level rather than at the Community level. On the other hand, Wallace, as quoted above, argues that in areas within the scope of the Treaties establishing the European Communities, member states have indeed lost sovereignty to the Community: the locus of sovereignty resides with the Community in those areas.

On this point, Wallace's (and Forsyth's and Brewin's) conceptualization is more accurate. While it is true that there has not been a complete merger of sovereignties in the European Community to create a full-fledged confederation, there has been a loss of sovereignty to EC institutions in the economic sector. The EC is appropriately labelled an economic confederation. If European Political Cooperation advances in the years to come, it is conceivable that members states will lose sovereignty in defense matters, foreign policy, and the political arena in general, resulting in a European Community which is a full-fledged confederation.

On another point, the distinction between the EC as a confederation and the EC as an international regime, Wallace's conceptualization is not at all accurate. It is important for the purposes of using regime analysis in this paper to address the flaw in Wallace's argument and establish the importance of the regime concept with respect to the European Community.

The flaw in Wallace's argument is this: he presents international regimes and confederation as mutually exclusive,

which they are not. Wallace claims that the most important distinction between the European Community (i.e., a confederation) and international regimes or IGOs is the legal and taxing powers the EC possesses (Wallace, 1983, p. 405). Furthermore,

"The crucial dividing line between an international regime and a confederation, I suggest, must be drawn between the presence or absence of authority and resources at the centre which effectively limit the behaviour of member states and which impose obligations on them which are generally accepted. The range of issues over which that authority exists need not be comprehensive, the size of the resources at the federations disposal need not be large" (p. 406).

He concludes that the EC is more than an international regime and less than a federation. This conclusion, and Wallace's distinction between regimes and confederations, misses an important point. Confederations (and IGOs and federations) are embedded in regimes; they all have regime aspects to them.

Robert Keohane, in a recent book, distinguishes between three forms of international institutions: conventions, regimes, and international organizations (Keohane, 1989). He defines conventions as "informal institutions, with implicit rules and understandings, that shape the expectations of actors;" regimes are "institutions with explicit rules, agreed upon by governments, that pertain to particular sets of issues in international relations;" and international organizations are "purposive entities . . . deliberately set up and designed by states . . . [and] bureaucratic organizations, with explicit

rules and specific assignments of rules to individuals and groups." (Keohane, 1989, pp. 3-4).

Under certain circumstances, progression from convention to regime to international organization represents increasing institutionalization. When regimes "expand and clarify" the rules of a convention, or when evolving international organizations do not change the rules of regimes, increasing institutionalization has taken place (Keohane, 1989, p. 5). However, Keohane states that the distinctions between these three forms of international institutions is not always as clear in practice as in theory. "Regimes with very clear rules could be more institutionalized than organizations with little autonomy or vague rules" (Keohane, 1989, p. 5); regimes may include explicit rules and implicit conventions. Nevertheless,

Perhaps without exception, international organizations are embedded within international regimes: much of what they do is to monitor, manage, and modify the operation of regimes (Keohane, 1989, p. 5).

Even if evolving IOs do change the rules of the regime, they are still embedded in the regime (Keohane, 1989, p. 5). The important point here is that regimes do not cease to exist when international organizations are established, an IO is embedded in the regime on which it is based.

What is the next level of institutionalization or development beyond an international organization? Keohane does not address this question, but other authors help shed some light on a possible answer that is important for refuting Wallace.

Jacobson asks the question of whether or not international

governmental organization's role is the creation of a larger unified state. He cites the example of the Zollverein playing a role in unification of the German state and asks why the EC should not play a role in the unification of a European state (Jacobson, 1984, p. 14). Brewin argues that the EC is "now better conceptualized as a union of states rather than as an organization" (Brewin, 1987, p. 1), implying that the EC has evolved from an international organization to a union of states (or economic confederation). The position taken in this paper is that the next level of institutionalization or development above an international organization is a confederation. Jacobson argues that a supranational organization has some characteristics of a confederation or federation but lacks the merger of sovereignties. The EC has taken the step away from supranationalism, to a merger of sovereignties and confederation. The next possible steps will be to complete confederation, then to federation, and finally to a unitary state (see Lodge, 1989, and see Forsyth, 1981, pp. 208-209 for a discussion of the steps from confederation to federation to unitary state).

This, however, does not mean that the regime aspects of the EC have ceased to exist, replaced by the confederation as Wallace would argue. On the contrary, the economic confederation is embedded in the regime as the IO was and any future federation or unitary state will be.

Well known confederations such as Switzerland and Canada, federations such as the United States and the Federal Republic of

Germany, and unitary states such as Great Britain all have domestic regimes associated with them. The EC as an economic confederation, rather than a full confederation, is embedded in an international regime. Just as the establishment of an economic confederation transforms external markets into an internal one, the evolution from IO to a full confederation or beyond, transforms an international regime into a domestic regime.

This conceptualization is similar to Taylor's, who states, without elaborating, that there is a "regime of the Communities' system" (Taylor, 1989, p. 22). It is somewhat different than Stanley Hoffman's; he argues that the EC is an international regime (Hoffman, 1982). The conceptualization offered here is that there are regime aspects to the EC, as well as formal organizational aspects. The benefits which Hoffman attributes to looking at the EC as an international regime, however, can be attributed equally as well to the regime aspects of the EC.

The idea of the EC as an economic confederation embedded in a regime also refutes the arguments of Roy Ginsberg and Carole Webb. Ginsberg argues that the EC has "sovereign powers and long-term organizational goals that cannot be squeezed into the narrower and really inappropriate concepts of international regime . . . " (Ginsberg, 1989, p. 12). The sovereign powers and organizational goals of the EC are part of its confederal nature, not the regime in which it is embedded. Webb argues that using the regime concept could lead one to "underestimate the

significance and influence of the EC's legal framework and the normally high rate of national compliance with frequently detailed Community legislation . . . " (Webb, 1983, p. 36). On the contrary, the legal framework of the EC is a part of its rules and norms (i.e., regime), and compliance with Community legislation can be accounted for by the compliance component of the regime (see Young, 1989, pp. 20-21 and pp. 70-80).

Having established that confederations, economic or otherwise, are embedded in regimes, rather than mutually exclusive of them, it is crucial to ask why a regime focus is important for studying the European Community. Keohane states, "Organization and regime may be distinguishable analytically, but in practice they may seem almost coterminous" (Keohane, 1989, p. 5). So why distinguish them analytically? It is important to make the distinction because it is the regime aspects of the EC, or for that matter of any IO, confederation, or federation, rather than the organizational aspects, which influence member states or potential member states.

Oran R. Young makes a distinction between organizations and institutions (of which regimes are a subset): organizations are "... material entities possessing physical locations (or seats), offices, personnel, equipment, and budgets ... generally possess[ing] legal personality ... " (Young, 1989, p. 32), whereas institutions are "... social practices consisting of easily recognized roles coupled with clusters of rules or conventions governing relations among the occupants of these

roles" (Young, 1989, p. 32). Furthermore, international institutions can be broken down into two subsets: international orders and international regimes. The former are "... broad, framework arrangements governing the activities of all (or almost all) the members of international society over a wide range of specific issues" (Young, 1989, p. 13). He cites as examples the international political order and the international economic order. The latter are "... more specialized arrangements that pertain to well-defined activities, resources, or geographical areas and often involve only some subset of members of international society" (Young, 1989, p. 13). The EC falls under the category of a regime rather than an order because of its well-defined activities (i.e., primarily economic), its well-defined geographical area (i.e., Western Europe), and its involvement of only a subset of nation-states.

In discussing the distinction between organizations and institutions, Young argues that organizations can exist with or without institutions and institutions can exist with or without organizations (see Young, 1989, pp. 34-56). In the case of the EC, it is an institution (i.e., regime) with a corresponding organization. What is important for the purposes of this study are the regime aspects of the EC, the "recognized patterns of behavior or practice around which expectations converge" (Young, 1983, p. 93), rather than the organizational aspects. Thus it is the regime aspects, the roles, rules, rights, and behavioral prescriptions, which have an impact on member states or potential

member states rather than the organizational aspects, the offices, personnel, and equipment.

THE INTERNATIONAL REGIME ASPECTS OF THE EUROPEAN COMMUNITY The Community Method"

Although not identified as a regime, Leon Lindberg has written about "patterns of practice around which expectations converge" within the European Community. He uses the terms "practices" and "expectations" to describe his so-called "Community Method." The tenets of the Community Method will be used in this survey as a basis for the fundamental regime aspects of the EC; they are as follows:

- 1. The governments show frequent and strong commitment to the Community by stressing the expectation that it will persist, that substantial rewards and benefits are to be expected, and that withdrawal or failure are out of the question.
- 2. The governments accept the Commission as a valid bargaining partner and accord it a degree of legitimacy as spokesman and advocate of the interests of the collectivity. They expect the Commission to play an active role in building a policy consensus in the Council of Ministers.
- 3. The governments deal with each other in a spirit of problem solving. It is assumed that collective decisions are desirable, and negotiation is about how to achieve them, not whether they should be sought.
- 4. The governments, as well as the Commission, are attentive and responsive to each others' interests, preoccupations, and goals. They avoid making unacceptable demands or proposals, and divisive issues are usually postponed.
- 5. The governments and Commission show themselves willing to compromise and make short-term sacrifices in

the common interest or in expectation of future long-term gains.

6. All agree that unanimous agreement is the rule and that negotiations should continue until consensus is achieved and all objections have been either overcome or "losses" in one area compensated for by "gains" in another. Issues are not seen as separate and unrelated to each other but in the context of a continuous It is thus possible to engage in process of decision. side-payment and logrolling behavior, whereby trades can be made within an area or across a wide range of Bargaining is thus likely to be policy areas. . . . complex, laborious, and time-consuming, and it is characterized by so-called marathon negotiations which result in package-deal outcomes. Marathon negotiations refer to the penultimate bargaining session of the Council of Ministers when all the unresolved problems in a particular decision area (or in several areas) are put on the table simultaneously. They may go on practically around the clock and for a week or more until it has been possible to agree to some combination of heterogeneous items that all can accept as more or equitable. These package deals are usually constructed by the Commission, which is in the best position to know (or guess) exactly what combinations or concessions and achievements each government can be brought to accept (Lindberg, 1974, pp. 246-247).

According to Lindberg, French President deGaulle disregarded the Community Method several times in the 1960s and since then it has had less and less influence over Community activities.

Indeed, General deGaulle's France of the 1960s threw the EEC into a series of crises as a result of its position on several matters of importance to the EEC. The first crisis was the expansion crisis of 1961-63. In October, 1961, Great Britain applied for membership in the EEC; the Six and the Commission responded unanimously with support. However, as the negotiations continued, French President deGaulle showed signs of opposition, and argued that British entry would alter the EEC drastically.

Subsequently, on January 14, 1963, deGaulle held a press conference during which he made his opposition to British accession known. The other five members of the EEC (referred to as the Five) reacted vociferously against deGaulle's position.

Despite the attempts of the Five to change deGaulle's mind, negotiations on British accession ended two weeks later (see Breckinridge, 1986).

The second crisis was the Constitutional crisis of 1965-66, in which France and the Five were in sharp disagreement over several issues. France's position on these issues was: First, decision-making in the Council of Ministers should remain unanimous, rather than moving to majority voting (i.e., a member state could veto a decision based on its self-interest). Second, the role of the Commission should be limited. Third, the EEC did not need to raise its "own" money (i.e., member states' contributions should remain the source of revenue for the EEC) until several years later. Finally, as a result of the third position, the European Parliament did not need increased budgetary powers until that time.

As a result of the disagreement, France discontinued its participation in EEC affairs, with the exception of meetings on the Common Agricultural Policy and on association with Greece and Turkey (see Lambert, 1966). The Five decided to continue EEC activities without the French. After several months of negotiations and an extraordinary session of the EEC Council of Ministers, agreements were reached which essentially changed very

little, and, in one case, was referred to as a "gentleman's disagreement" (Lambert, 1966, p. 226). The result, however, was France's participation in the activities of the EEC once again.

A case can be made for Lindberg's statement that the crises of the 1960s precipitated by the French had a negative impact on the Community Method. Certainly the French did not negotiate to achieve a collective decision or compromise and make short-term sacrifices in the common interest, at first. Neither did they avoid unacceptable demands. Additionally, the role of the Council of Ministers was enhanced over that of the Commission as a result of the emphasis on national interests after the French veto of British accession; and during the Constitutional crisis, the French advocated a limited role for the Commission.

However, certain French actions during these crises were in support of the Community Method. For example, their demand during the Constitutional crisis for the maintenance of unanimous voting was in adherence to the Community Method. Also, during neither crisis did the French completely withdraw from the EEC. Finally, the Five did not consider the failure of the Community a possibility; they were ready to carry on with or without the French.

Therefore, there is evidence both for and against the proposition that the crises caused by the French in the 1960s disrupted the Community Method. The argument that will be made below is that, while the Community Method may have changed over

the years, there is evidence that it still exists, and it forms the basis for the regime of the EEC.

The crises of the 1960s precipitated by the French illuminate the outlines of the Community Method. During the periods of crisis resolution, the practices and expectations of the Community Method were obvious. Therefore, where appropriate, I will examine the Community in crisis in the 1970s and 1980s in order to examine the evolution of the Method in those decades. Other evidence will be presented as well.

THE EVOLUTION OF THE EC REGIME

Indeed, the crises of the European Community in the 1960s, and again in the 1970s and 1980s, have tested the resiliency of the Community Method. However, upon resolution of the crises, the Community Method either has stood firm or has adapted to the new conditions - changed to new patterns around which expectations converge. Each aspect of the original Community Method will be discussed below, along with any adjustments to it.

1. Persistence, benefits, and withdrawal.

Despite crises in the Community precipitated by external events or Member States, the Community has persisted to this day. There has been no talk of dissolving the Community nor talk of its failure. Although there has been discussion about its effectiveness or usefulness during the last two decades, there has not been discussion about its dissolution.

In the 1970s, during the oil crisis, other Member States' responses to the embargoed Netherlands' requests for sharing oil supplies angered the Dutch. The rest of the Community would not publicly agree to help the Dutch, in fear of provoking an embargo on themselves. However, the Netherlands did not withdraw. It was in her interest to remain in the Community despite a lack of solidarity. (There is some evidence, although inconclusive, that solidarity existed in private and that public statements were an effort to pacify the Arabs so that they would not embargo the rest of the EC) (see Breckinridge, 1986).

The early 1980s saw a budget crisis evolve in the EC, with Great Britain as the main protagonist. Upset over the amount of her budget contributions and requesting rebates, Britain kept the Community in turmoil for five years. However, despite the length and seriousness of this crisis, Britain did not withdraw from the Community (see Breckinridge, 1986).

Although seriously provoked in each of the last three decades, individual Member States have not withdrawn from the Community. And member states have not allowed the Community to fail despite the crises brought on by other member states or external forces. Therefore, the expectations that the Community will endure, that there are benefits to membership, and that withdrawal is not a viable option continue today.

2. The Commission.

The original Community Method included the expectation that the Commission was a legitimate spokesman for the Community as well as an equal bargaining power. As mentioned above, the French veto of British entry into the Community in the 1960s enhanced the role of the Council of Ministers at the expense of the Commission.

The early 1970s saw some greater participation by the Commission in Community affairs, as integration proceeded slowly and reluctantly. By the mid-1970s, however, ". . . the position of the Commission in the European Communities had been considerably downgraded compared with that of the Presidency [of the Council of Ministers]" (Taylor, 1982, p. 754). The trend apparent from Taylor's article is that as integration moved forward in the 1970s, the Commission had a larger role to play, but when integration floundered, so did the Commission.

It can be argued that the same trend persisted into the 1980s. In the early 1980s, the budget crisis played a role in slowing integration of the Community: for five years the member states were at odds over the budget and little attention was paid to the process of integration during that time. Over the five year period, domestic politics also played a role in diverting attention from integration. In all of the Member States except Great Britain, there was at least one change of head of state or government (see Breckinridge, 1986). Therefore, incumbents' attention was focused on re-election at home rather than integration in Europe. Throughout this time, the Commission was

ineffective at solving the budget crisis quickly and conclusively, could not control agricultural spending deficits or disputes between the rich and the poor states in the Community (see <u>Washington Post</u>, July 2, 1987), and thus could not move the Community toward greater integration.

In the late 1980s, however, the trend has changed again.

Integration is on the minds of Europeans and the Commission has earned renewed prominence. Several factors led to this change, including the appointment of Jacques Delors as President of the Commission, and the ratification of the Single European Act.

In 1987, the Single European Act of the EC entered into force. As the first major revision of the Treaties establishing the European Communities, its main purpose is the creation of a single internal market in the EC by December, 1992. It developed out of a Commission White Paper, and the Commission has the main responsibility for developing the proposals to ensure its success. With its role in this process and with the greater integration that will result from it, the Commission is achieving the expectations of the Community Method.

The position of the Commission as a legitimate spokesman and equal bargaining partner has progressed under its current President, Jacques Delors. Widely seen as responsible for the EC's progress on the Single European Act, Delors has also given the Commission (and the Community) a greater voice on the international stage. At the Western economic summit in Toronto in 1988, Delors won a battle with the United States over

agricultural subsidies: the final communique concerning elimination of such subsidies reflected the EC position (see Europe, July/August 1988). As a result, the Commission, as the spokesman of the Community, was an equal, and apparently superior, bargaining partner with both the EC Member States and the non-EC Member States at the summit.

3. Decisionmaking

Throughout each of the crises, negotiations were undertaken in order to collectively solve the problems of the Community, not to decide whether or not the problems should be solved. This practice is linked to the expectation that the Community will persist. Solutions to problems were sought through negotiations so that the Community could persist, rather than negotiating the persistence of the Community itself.

4. Self-interests.

As an organization comprised of sovereign nation-states, the European Community often faces conflicts between the Community interest and national self-interest. In an effort to limit these conflicts, Member States try to be attentive to other members' interests, and to avoid making unacceptable demands. During the oil crisis, the Netherlands appears to have been attentive to other Member States' interest in preventing an embargo on themselves. The Dutch did not demand a public show of support, which might have been unacceptable to the others. If indeed

there was some private agreement between the Netherlands and its fellow EC members, then the others were responsive to Dutch interests as well.

At the onset of the budget crisis, other Member States were not responsive to the interests of the British, and could claim that the British were making unacceptable demands. However, in the end, Britain and the other Member States were responsive to each other's interests and the crisis was resolved.

Overall, the tendency is for Member States to be responsive to each other's needs (Nugent, 1989, p. 252). This practice often prevents action from being taken on a particular policy or decision. As will be discussed below, Member States may still veto policies that are not in their self-interest, and if the other Member States are responsive to the interests of those imposing the veto, the policy will not be adopted. As a result, divisive issues are still postponed when the interests of a Member State are threatened (H. Wallace, 1983, p. 63).

5. Compromise.

During the oil crisis, the embargoed Netherlands demanded help from the EC in meeting is oil requirements. The EC declined to do so, at least publicly, but the Netherlands was willing to make short-term sacrifices in the common interest (e.g., no EC-wide embargo), or possibly, as a result of private negotiations, in "expectation of future long-term gains."

However, during the budget crisis, Great Britain was not willing to compromise, and negotiations lasted several years.

The expectation of compromise and short-term sacrifices collides with the idea of national sovereignty. While the former are important for the continued operation of the Community, the latter continues to interfere with the Community's operation.

When Community-interest conflicts with national self-interest, the former does not always win out. Although compromise is an important expectation within the Community, the nature of the members themselves dictates that compromise will not always be a given. Furthermore, when compromise does occur, it is often as a result of the linkage of unrelated policy issues through which every Member State can be a winner (Nugent, 1989, p. 249). This will be discussed further in the next section.

6. Consensus, unanimity, bargaining.

Adjustment in the Community Method has taken place with respect to unanimous agreements. Traditionally, passage of policies in the European Communities' Council of Ministers has been achieved by one of three types of voting: majority, qualified majority, or unanimity. Article 148, Section 1 of the Treaty establishing the European Economic Community states, "Save as otherwise provided in this Treaty, the Council shall act by a majority of its members" (Treaty, 1987). However, in most areas of integration, provisions are made for qualified majority or unanimous voting. Generally, unanimity is required for

amendments, changing the quantitative aspects of integration (e.g., changing duties, prices), and issuing directives and determining provisions for establishing the Community. In some cases unanimity was replaced by qualified majority after the first or second stage of transition. Additionally, qualified majority voting is used for adding categories to various lists of goods and products, and resolving difficulties in, and disputes during, the transition period (Treaty, 1987).

The influence of the <u>Single Europe Act</u> on the <u>Treaty</u> establishing the European Economic Community is, inter alia, to amend the voting requirements in the Council of Ministers from unanimity to qualified majority. Changes in voting requirements took place in the areas of free movement of workers, rights of establishment, free movement of services, and common transport policy (<u>Single European Act</u>, 1987). The <u>Single European Act</u> amendments were passed in order to move further along toward the common internal market.

In the case of a qualified majority vote, voting is weighted as follows:

Belgium	5	Italy	10
Denmark	3	Luxembourg	2
FRG	10	Netherlands	5
France	10	Portugal	5
Greece	5	Spain	8
Ireland	3	United Kingdom	10

(<u>Treaty</u>, Article 148, (2), 1987, as amended by Article 14 of the Act of Accession of Spain and Portugal).

Furthermore,

For their adoption, acts of the Council shall require at least:

- -- fifty-four votes in favour where this Treaty requires them to be adopted on a proposal from the Commission.
- -- fifty-four votes in favour, cast by at least eight members, in other cases (<u>Treaty</u>, Article 148 (2), 1987, as amended by Article 14 of the <u>Act of Accession of Spain and Portugal</u>).

Abstentions by members present in person or represented shall not prevent the adoption by the Council of acts which require unanimity (Treaty, Article 148 (3), 1987).

The provision for a qualified majority vote by the Council of Ministers ". . . does not mean that the traditional preference for proceeding by consensus or the potential use of the national veto no longer apply, but it does mean that they are no longer quite the obstacles they formerly were" (Nugent, 1989, p. 246). In order to achieve consensus, unrelated policy issues are often linked together to create "package deals" which, with rewards for all, can be agreed upon by everyone (Nugent, 1989, p. 249). Such package deals are often worked out by the Council of Ministers, although some of the more important deals have been negotiated in the European Council (Nugent, 1989, p. 249).

While the preference for unanimity and consensus in the Community continues today, the Single European Act has provided for qualified majority voting to adopt policies, especially those instituting the single internal market. Although this is an important step in the evolution of the European Community, as it

will enable progress to be made more quickly, the nature of the members as sovereign nation-states means that the possibility for national vetoes remains. Concurrent with this possibility is the possibility that progress in the evolution of the EC will be limited by the Member States.

THE 1990s

What prospects do the 1990s hold for the regime aspects of the European Community? The movement toward a single internal market by the end of 1992 will have a large impact on the regime, as well as on the Member States and the rest of the world. In fact, one might argue that the Single European Act will bring about a change in the regime.

As progress is made toward the single internal market, the Commission will continue to play an important role and will be an equal bargaining power. Once the internal market is established, the Commission will be more active in its role as spokesman for the Community and as an advocate for Community interests.

While many of the policies necessary for completion of the internal market have been adopted, many of the hard decisions have yet to be made. Divisive issues have been postponed, while issue more easily agreed on have been addressed. The common currency and central bank issues are examples of hard decisions which remain to be made. There is disagreement between Member States on the form a European Central Bank will take and the form of a common or single currency.

Compromise, consensus, and unanimity through package deals are still apt to be the important decision-making procedures in the Community, particulary with respect to the divisive issues. The sovereign nature of the Member States will dictate that they will not give up their national self-interest too many times by way of qualified majority voting. As national interest becomes more closely defined with Community interest (as the single internal market is established and begins to operate), qualified majority voting will likely become the more prominent method of decision-making.

This brief survey of the European Community has provided evidence that the practices and expectations of the Community Method, or the international regime of the EC, persist to this day. They are not in all cases identical to those originally identified by Lindberg; however, the basic framework remains intact.

Each of the aspects of the EC regime described above falls into one of the three regime components outlined by Young: substantive, procedural, or compliance. The first, persistence, benefits, and withdrawal, is part of the substantive component: these are norms which guide the behavior of members. The second, the position of the Commission, is also part of the substantive component. The roles of the Commission and the Council of Ministers, as well as the rules and rights defining the

relationship between the two, are discussed. The third, decisionmaking, is part of the procedural component, a method for making social and collective choices within the regime. The fourth, self-interests, and the fifth, compromise, as norms developed within the EC, are part of the substantive component. The sixth, consensus, unanimity, and bargaining, are part of the procedural component.

A composite sketch of the EC regime has not been drawn in this paper; on the contrary, the regime aspects outlined here are just some of those that comprise the EC regime. Indeed, no aspect of the compliance component has been discussed in detail. But the aspects described are some of the most fundamental, and they show that there is an international regime associated with the international organization of the EC.

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