

The EU as a Federal State?

New Methods of Governance & the EU

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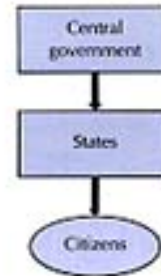
Outline

- What is federalism and a federal state?
- Is the EU a federal state?
- Brief recap on European integration theories
- What is governance?
- What methods of governance are used in the EU?
 - Multilevel governance
 - Legislative methods
 - Open Method of Coordination
 - Methods of external governance
- What policy instruments can the EU apply?

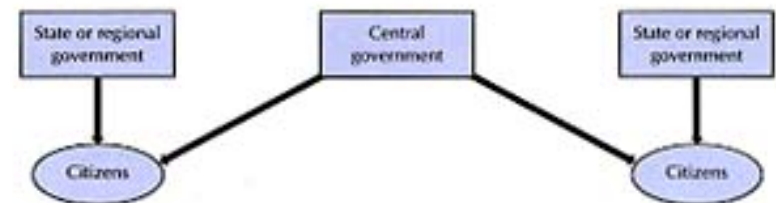
What is Federalism?



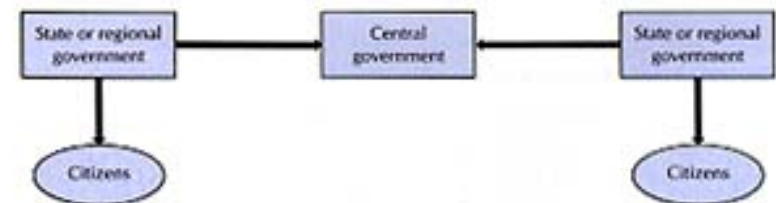
UNITARY SYSTEM



FEDERAL SYSTEM

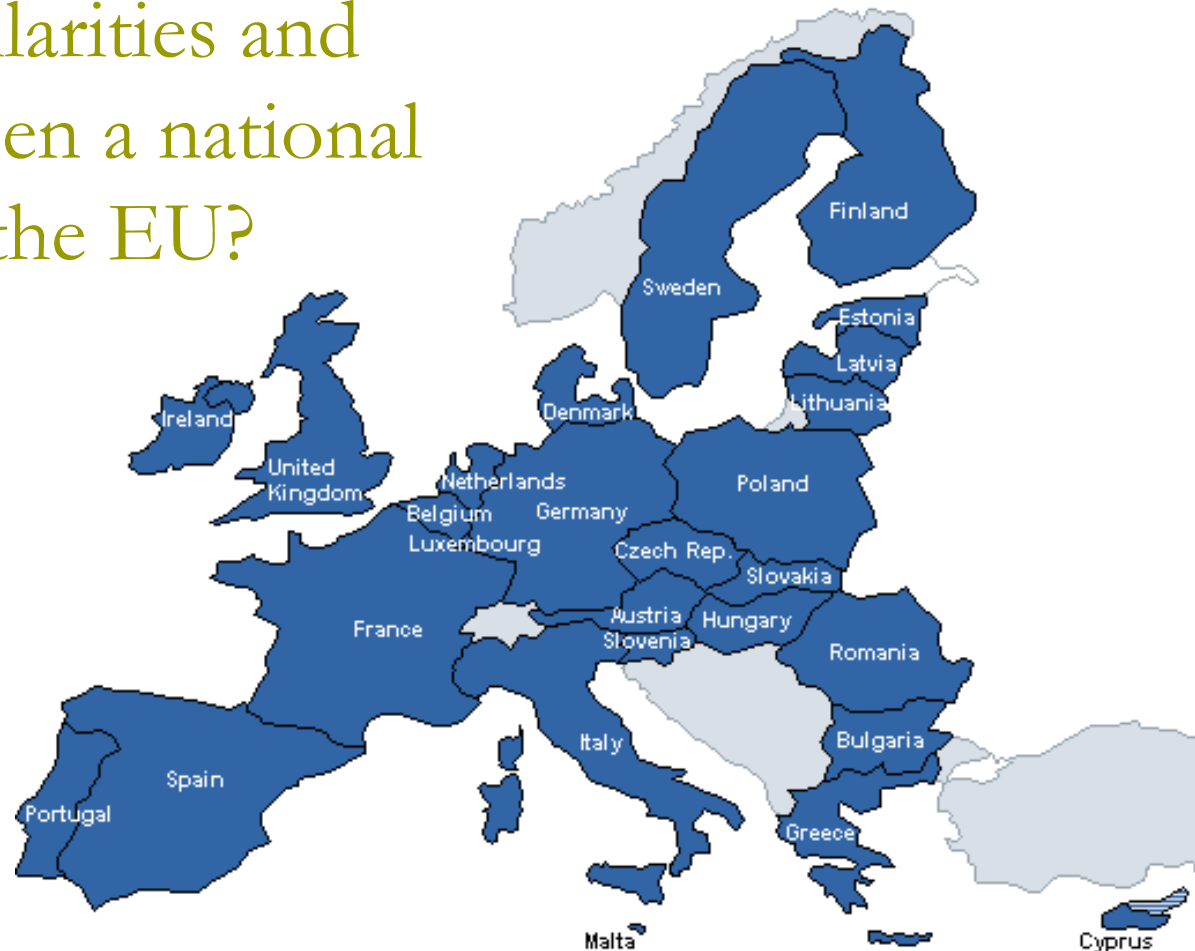


CONFEDERAL SYSTEM (or CONFEDERATION)



Is the EU a Federal State?

What are the similarities and differences between a national federal state and the EU?



How did the EU get there?

□ European integration theories

- (Neo-)Functionalism
- (Liberal) Intergovernmentalism
- Etc.

(Neo-)Functionalism

□ What happens first?

- National governments decide on initial agreement

□ What follows?

- EU level bureaucrats develop own interests
- EU level interest associations & social movements form

□ What comes then?

- Spill-over

(Liberal) Intergovernmentalism

□ What happens first?

- Domestic negotiations on national preferences (vary over time & issues)

□ What happens then?

- International negotiations (state as unitary actor) on substantive international cooperation

□ What follows?

- International negotiations on the choice of institutions

What is Governance?

□ Government vs. governance

- State & nonstate actors
- Governments as one of many participants in the broader process of governance
- Some scholars exclude state actors: ‘governance without government’

□ Complex process involving multiple actors

What is Governance?

- **Various fields of research & application of the term**
 - ‘Democratic governance’
 - ‘Network governance’
 - ‘Good governance’
 - ‘New governance’
 - ‘Multilevel governance’
- **New methods of governance:
‘softer’ forms of intervention beyond
‘command & control’**

What is Governance?

□ Old wine in new bottles?

- Corporatism
- Pluralism

□ Effectiveness

- When are softer forms of governance suitable & effective?

EU Methods of Governance

- **What methods of governance are used in the EU?**
 - Multilevel governance
 - Legislative methods
 - Open Method of Coordination (OMC)
 - Methods of external governance (in greater detail in weeks 9, 10 & 11)
 - Etc.

What is Multilevel Governance?



Multilevel Governance

□ What are levels of governance?

- International, EU, national, subnational, local etc.
- Politically independent actors (state & non-state)

□ How does multilevel governance work?

- No exclusive competences
- Continuous negotiation, deliberation and implementation

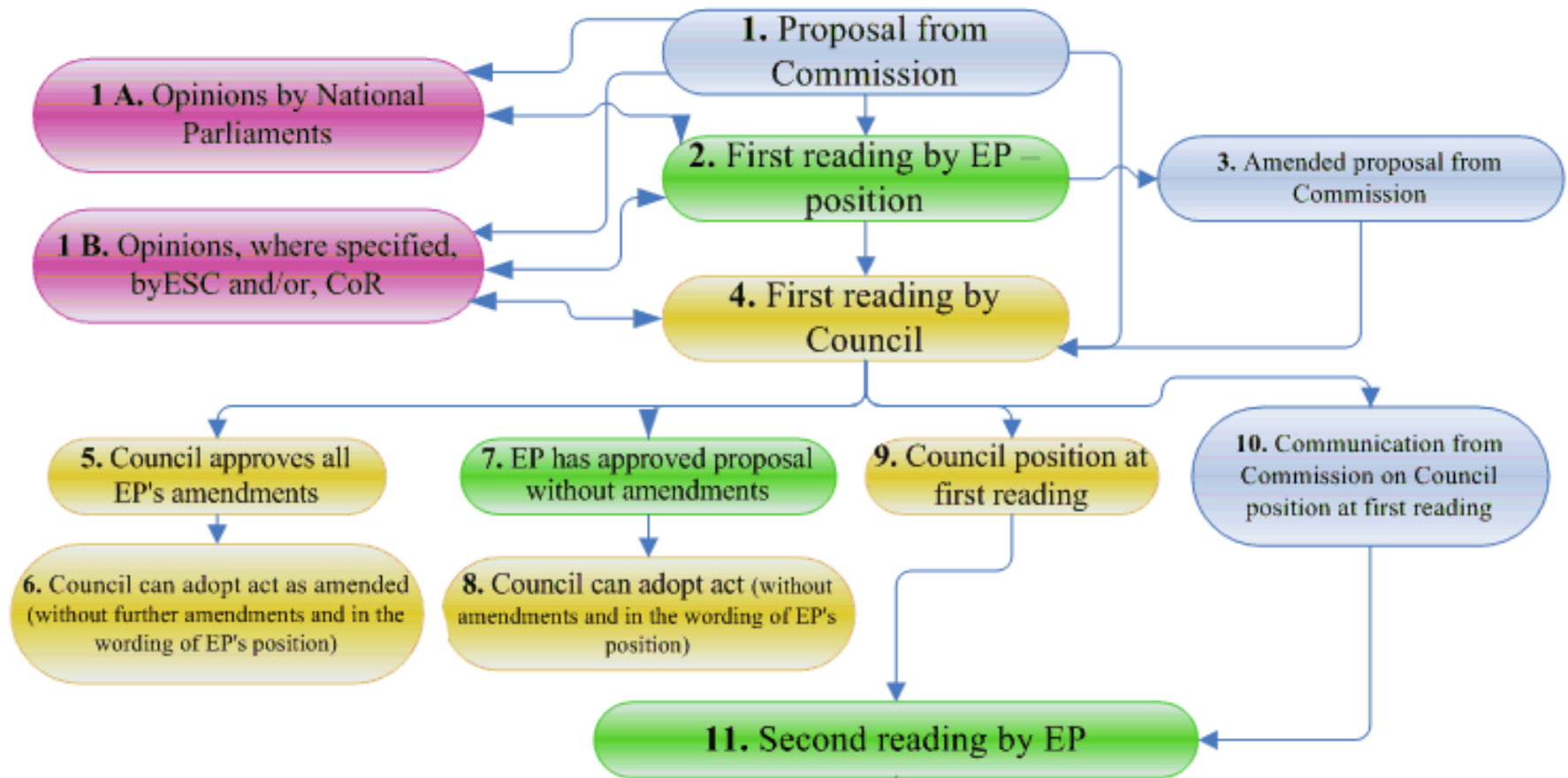
Multilevel Governance

- **How does EU multilevel governance work in practice?**
 - **Legislative method:**
 - Member States, regions, nonstate actors influence the EU level
 - Commission takes legislative initiatives
 - Member States & MEPs form their policy positions (influenced by state & nonstate actors)
 - Member States transpose & enforce EU laws (especially Directives)
 - **Alternative methods rely on guidelines, benchmarking & learning between the different level**
 - Horizontally
 - Vertically

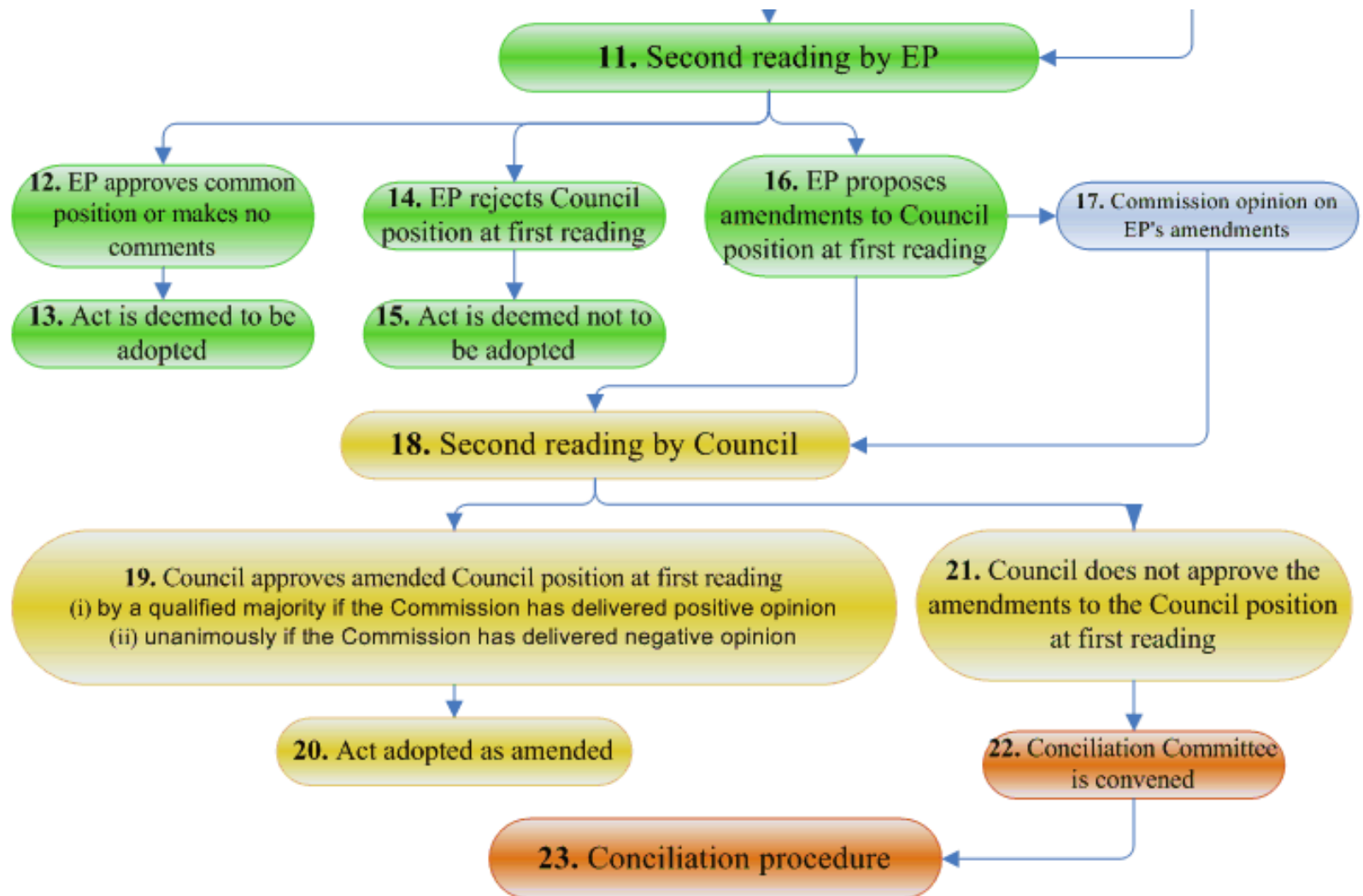
Legislative Method

- ❑ **Ordinary legislative procedure**
 - Article 294 TFEU
 - Covers almost all EU policy areas (since Lisbon Treaty)
- ❑ Consultation procedure
- ❑ Consent procedure
- ❑ Commission & Council adopting legislation
- ❑ Commission adopting legislation
- ❑ Comitology

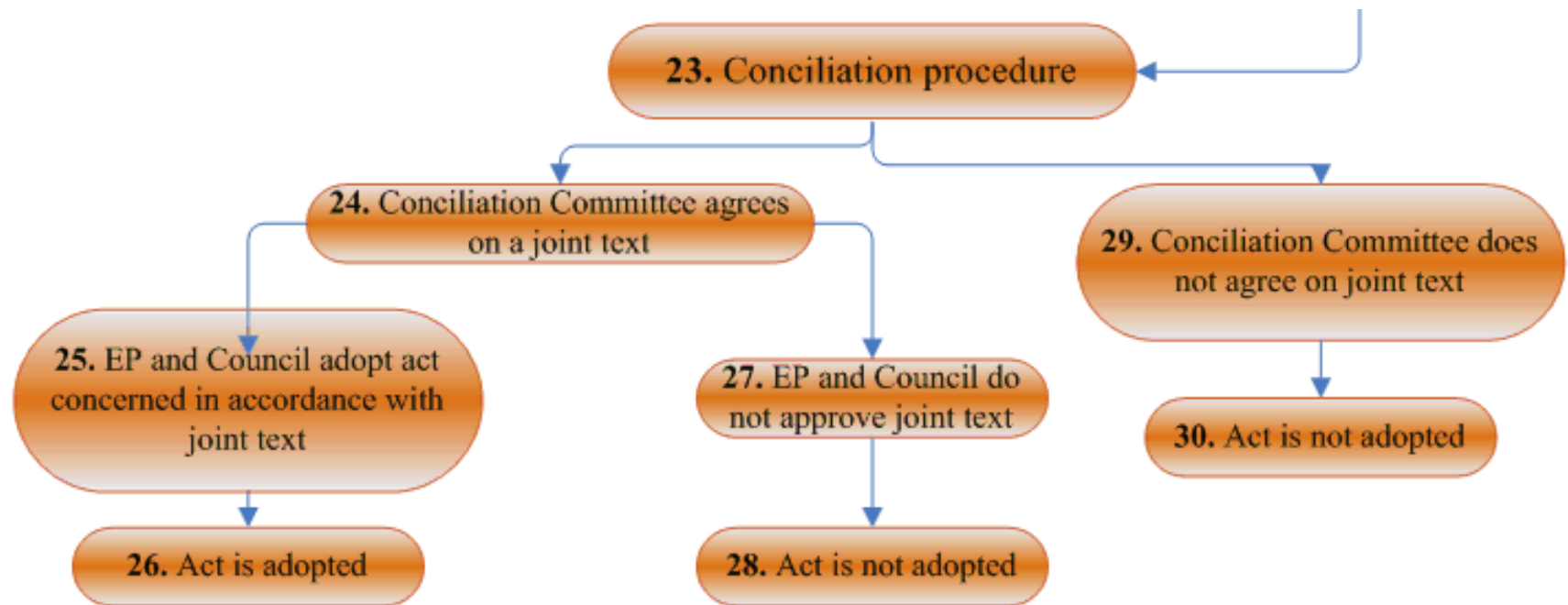
Ordinary Procedure – 1st Reading



Ordinary Procedure – 2nd Reading



Ordinary Procedure - Conciliation



Open Method of Coordination

- ❑ Top-down vs. bottom-up
- ❑ Initially applied to productivity & employment goals (Lisbon goals, March 2000)
- ❑ For policy areas that remain primarily Member State competence
- ❑ ‘Soft law’ approach
 - No binding commitment
 - No (official) sanctions for non-compliance
 - Based on peer pressure, benchmarking & best practices
- ❑ Voluntary process of political cooperation based on agreeing common objectives & indicators

Open Method of Coordination

□ What happens first?

- Council of Ministers agrees on
 - Broad goals, guidelines & timetables
 - Specific benchmarks & indicators

□ What follows?

- Member States
 - Transpose the guidelines into national policy
 - Submit reports to the Commission

□ What comes then?

- Commission monitors & evaluates the outcome
- Mutual learning

Open Method of Coordination

□ Aim

- To achieve greater convergence
- Not harmonisation!

□ Mostly applied to policy areas with

- Limited EU competence
- Limited consensus & political will to enact legislation
- Complex, multi-faceted nature
- Diversity amongst Member States

□ Application of the OMC principles & features

- Varies between policy fields
- In many areas but not necessarily called OMC

Methods of External Governance

- ❑ Military Power
- ❑ Normative Power
- ❑ International negotiations
- ❑ Market access & trade
- ❑ Development aid
- ❑ Enlargement

(these modes of governance will be discussed in greater detail in weeks 9, 10 & 11)

What Policy Instruments can the EU apply?

Let's take the example of CO₂ emission reduction:

□ **Command & control**

- Prescriptive emission limits

□ **Market-based instruments**

- Emission trading

□ **Information**

- CO₂ labelling

□ **Voluntary commitments**

- Voluntary emission limits by industry

So What?

- What does the governance approach tell us about the EU?
- Is EU governance effective?
- What are the advantages and disadvantages of the different methods of governance?
- How can the governance approach help us studying the EU?