

# Moulding National Preferences to the Will of EUrope: The Aggregation Problem Unsolved

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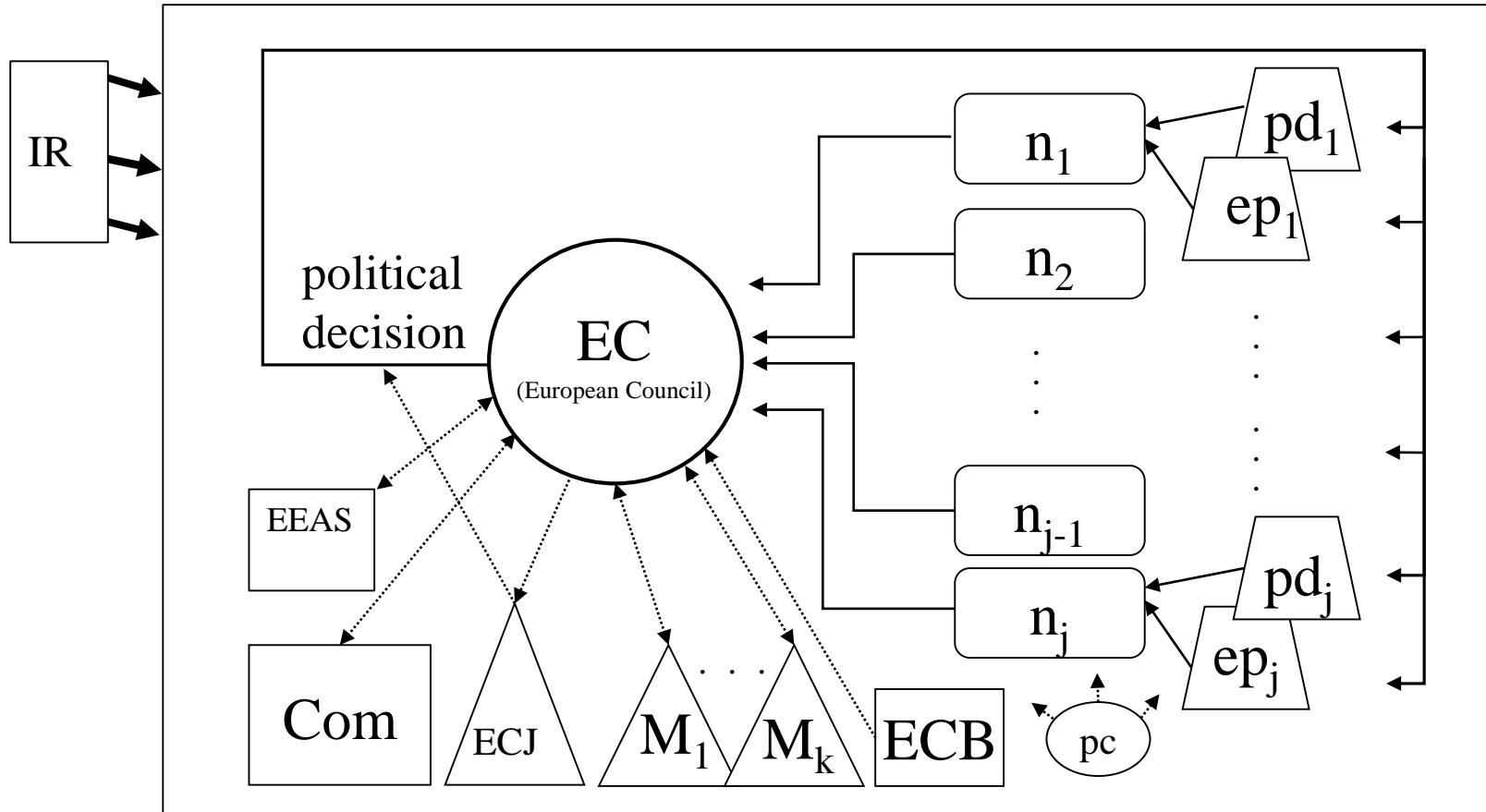
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# The Aggregation Problem Unsolved

- ARROW's impossibility theorem states the impossibility of aggregating individual preferences to a societal preference function in a logically consistent way
- Additional dependency on the design of the process itself – CONDORCET's Jury Theorem
- The aggregation problem is even more significant in case of multilayered decision making as it occurs in the EU
  - the political will of different nations is expressed by national governments
  - a process of negotiation between the nations moulds the different national preferences into the will of the EU
  - The architecture of the system of negotiation is subject to negotiations itself

# Information Flow Chart of the European Decision-making Process



# The System of Negotiation

- Changes are made by giving up national sovereignty rights in favour of joint decision making procedures respecting the rights of national constituents and creating a Putnam-dilemma.
- In turn, this constitutes the stability of the system without any formalised exit option. Despite abundant challenges, a crisis in the sense of LUHMANN never happened, i.e. there was no shock endangering the maintenance of the system's *meaning*
- The meaning of the EU can be operationalised as the settlement of conflicts by means of negotiations between nations. Because of her well-developed capacity to adapt to challenges on the grounds of re-defining her architecture the EU benefits from never being but forever becoming

# Challenges, Equilibria and Adaption

- Adaptions are driven by internal and/or external challenges to the stability of the system which change parameters of the inter-state Nash-equilibria and corresponding Pareto-Optima.
- Trading costs and benefits of conflict resolution, the negotiations may eventually result in (1) eternal bargaining, (2) a new Nash-equilibrium with various Pareto characteristics or (3) the death of the system itself.
- Given its favourable environment provided by, e.g., the NATO the EU has proved to be rather stable and shock-resilient because of its capacity to adapt to parameter changes.
- Recent challenges, like the Euro “Crisis”, the Ukraine “Crisis”, or the Refugee “Crisis”, resulted in the emphasis of national aspects of decision making by Summit diplomacy, which in turn will stimulate efficient European competitive negotiations and a more stable Union.

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