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FROM THE CHAIR

The latest meeting of the Executive Committee of EUSA was hosted by the Robert Schuman Center of the European University Institute in Florence on April 16/17. Bravely facing the risk of potential travel disruptions due to volcanic ash, several members of the Executive Committee ventured across the Atlantic to discuss important EUSA business in Tuscany. At the top of the agenda were the preparations for the biennial EUSA conference to be held in Boston in March 2011. We defined the thematic sections and discussed possible program chairs for the panels of each section. As in past conferences the spectrum of themes to be covered will be very wide ranging from Law, Public Policy and Regulation, Political Sociology, Political Behavior and Electoral Studies, to Economics and Political Economy, Institutions to External Relations. The Executive Committee also discussed other important issues such as the prizes to be awarded at the conference in Boston. It unanimously decided to award the life-time award for research on the European Union to Jeremy Richardson formerly University of Oxford, now University of Canterbury New Zealand, who - with his work on the European policy making process and the creation of an important venue for the publishing of articles on the European Union, the Journal of European Public Policy, has greatly contributed to the advancement of the research on the European Union. The award conferral ceremony will take place at the EUSA conference in Boston next year.

The session of the Executive Committee was followed by a very special event, a joint conference of EUSA and ECPR (European Consortium of Political Research), the first joint conference ever, hopefully marking the beginning of a long-term cooperation between EUSA and ECPR which will, for instance, take the form of having panels at the mutual large conferences.

The joint conference focused on the implementation of the Lisbon Treaty. The presentations by Wolfgang Wessel, Dan Kelemen, Berthold Rittberger, Luciano Bardi, Carlos Closa Montero, Amie Kreppel, Adrienne Héritier, Sergio Fabbrini and Erik Jones were discussed by Miguel Poiaras Maduro, Peter Mair, Paolo Ponzano and Pascal Vennesson. They addressed matters regarding the strengthened leadership of the European Council (Wolfgang Wessel), the risk of institutional pathologies resulting from the institutional changes of overlapping new and old leadership roles (Dan Kelemen), then turned to aspects of democratic legitimation, i.e. the strengthened role

of the European Parliament (Berthold Rittberger) and the new Citizens Direct Legislative Initiative (Carlos Closa Montero) as well as the overall impact of the Lisbon Treaty on Europarties (Luciano Bardi). Changes in executive- legislative relations deriving from the newly created leadership roles were discussed in a broad sense (Amie Kreppel) and with a focus on little visible, but important changes in the comitology system (Adrienne Héritier). Finally the discussion turned to broader policy areas, i.e. EU foreign policy making and its compoundedness (Sergio Fabbrini) and its implications for the Transatlantic relations (Erik Jones).

Adrienne Héritier
Florence, May 2010

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The European Union in a Globalizing World

Living in a Material World: A Critique of
“Normative Power Europe”

Mark A. Pollack

There is, in contemporary literature on European Union foreign policy, a broad consensus that the EU today constitutes a “normative power.” As first articulated by Ian Manners (2002) in an extraordinarily influential article, the idea of “normative power Europe” (NPE) combines two fundamental claims.

The first of these claims is about the EU’s “normative difference,” the notion that the EU, by virtue of its history, its nature as a hybrid polity, and its political and legal framework, is constituted by a commitment to certain constitutional norms that determine its international identity (Manners 2002: 241). Reading through a series of historic declarations, policies and treaties, Manners identifies five core norms (peace, liberty, democracy, the rule of law, and human rights) and four minor norms (social solidarity, anti-discrimination, sustainable development, and good governance) which together constitute the EU’s normative identity (Manners 2002: 242). These are not simply universal or Western norms, Manners, argues; rather, “the EU is normatively different to other polities with its commitment to universal rights and principles” (Manners 2002: 241). Indeed, “in my formulation the central component of normative power Europe is that it exists as being different to pre-existing political forms, and that this particular difference pre-disposes it to act in a normative way” (Manners 2002: 242).

Manners’ second claim is about the nature of the EU’s “normative power.” After reviewing traditional views of Europe as a “civilian power” wielding material economic resources, and contemporary views of European Security and Defence Policy (ESDP) wielding military power, Manners suggests that these views need to be augmented by a consideration of Europe’s normative power – a “power of opinion,” “*idée force*,” or the ability to shape conceptions of “normal” in world affairs (Manners 2002: 239). More specifically, Manners identifies six “factors” or mechanisms of norm diffusion, which he refers to as contagion, informational diffusion, procedural diffusion, transference, overt diffusion, and a “cultural filter” (Manners 2002: 244-45). While not rejecting entirely the significance of material economic

and political power, Manners argues that, “the ability to define what passes for ‘normal’ in world politics is, ultimately, the greatest power of all” (Manners 2002: 253).

In the language of rational-choice theories such as intergovernmentalism, institutionalism and realism, NPE proposes a new and novel explanation of both the preferences and the power of the European Union in world affairs – the former generated by constitutive norms and the latter driven primarily by symbolic and ideational processes rather than by material resources.

There is something very powerful in this formulation. There can be little doubt that, with respect to human rights, the death penalty, multilateralism and the rule of law, European leaders see and present themselves as driven by sincere normative convictions in their interactions with the rest of the world. As Manners rightly pointed out, it would be difficult, if not impossible, to explain EU policies on an issue like the death penalty through any appeal to the material interests of the member states, and the notion of the EU as a normative power has precipitated a series of books, articles and edited volumes in recent years (see e.g. Lucarelli, ed., 2007; Aggestam 2008; Laidi 2008; and Tocci, ed., 2008).

Beyond the academy, NPE has arguably penetrated the thinking of EU practitioners more effectively than any theoretical concept since Haas’ neofunctionalist ideas about spillover, Commission entrepreneurship, and upgrading the common interest. Whether this influence is due to the accuracy of its claims, or the heroic light in which it paints the EU and its leaders, however, remains an open question.

And, just as intergovernmentalists (Moravcsik 1998) and historians (Milward 2000) eventually questioned the heroic narrative of neofunctionalist integration theory, contemporary students of EU foreign policy have begun to question Manners’ heroic depiction of the Union as an inherently normative power, pure in motivation and noncoercive in its behavior. Across a range of issue-areas frequently considered to be “normative” in character, these scholars suggest that material interests, and material power resources, are at least as significant as normative ones.

Preferences

With respect to preferences, a growing body of scholarship challenges, or at least lends nuance to, Manners’ portrayal of the EU as an actor driven by normative considerations. Manners, in his original statement, simply accepts at face value the various declarations, policies and treaties that spell out the EU’s core normative principles – a surprisingly uncritical approach for a critical theorist to take. And his illustrative case study of the EU’s global campaign against the death penalty emerges as an “easy” case – one in



which no EU member state appeared to have a discernible material interest that might cut against or undermine the Union's collective normative commitment.

By contrast, other recent scholarship suggests either that material interests may underlie the EU's normative declarations (thus rendering latter epiphenomenal), or that EU normative and material concerns may intermingle in determining EU preferences (the notion of "mixed motives"), or alternatively that material interests may cut across and undermine the EU's public normative stance (hence generating charges of hypocrisy; see e.g. Aggestam 2008: 7).

Claims that the EU's normative preferences are in fact epiphenomenal to its material interests are commonplace among the Union's conservative critics, who question the source and the sincerity of the EU's commitment to multilateralism and the rule of international law. Robert Kagan, for example, has famously suggested that the EU's embrace of such principles actually reflects an effort to compensate for Europe's military weakness and tie down a hegemonic United States (Kagan 2002). Others, like Jack Goldsmith and Eric Posner, suggest that the EU's commitment to the rule of law and multilateralism is insincere, as witnessed by the Union's willingness to violate international law and engage in serial bilateralism where doing so will serve its material interests (Goldsmith and Posner 2009). Such accounts serve a useful purpose in questioning the purity of the EU's motives, but they almost certainly go too far in reducing the EU's normative beliefs to hidden material preferences.

More convincing, in this context, are other studies that demonstrate mixed motives in the EU's "normative" foreign policies. In their study of the EU's environmental diplomacy, for example, R. Daniel Kelemen and David Vogel (2009) suggest that, while the EU's global environmental leadership is consistent with EU norms such as multilateralism and sustainable development, a pure NPE approach pays inadequate attention to the role of economic interests. In their alternative, "regulatory politics" approach, the EU has sought to export or upload its high environmental standards, not simply out of normative concern for the global environment, but at least in part in an effort to level the economic playing field vis-à-vis states with more lax economic standards. Indeed, the EU's environmental diplomacy is just one part of a broader Commission initiative to "promot[e] European standards internationally through international organization and bilateral agreements," which, the Commission argues, "works to the advantage of those already geared up to meet those standards" (European Commission quoted in Pollack and Shaffer 2009: 129).

Other case studies point to areas in which the EU's normative declarations may come into conflict

with the material interests of EU member governments and their constituents. Camille Webber (2010), for example, examines the EU's establishment of codes of conduct for arms trading with third countries, suggesting that, while a normative concern with conflict prevention may have been a partial motivation for the establishment of such codes, the large material interests of arms exporters in the various EU member states has resulted in provisions that are often politically rather than legally binding, and sufficiently vague as to impose few significant restrictions on such sales. Karen Smith (2001) makes a similar case about EU inconsistency in its promotion of human rights norms vis-à-vis economically or strategically important states like Russia and China. Perhaps the most obvious case of EU hypocrisy, in which economic interests trump normative declarations, is the area of trade policy. Here, notwithstanding admirable normatively motivated efforts like the "Everything but Arms" initiative, the Union's defense of the protectionist Common Agricultural Policy stands as a significant global impediment to economic development in the world's poorest nations, with external US and WTO pressures and budgetary ceilings, rather than normative concerns, explaining the modest reforms undertaken over the past several decades (Oxfam 2003, Matthews 2008).

Power

Even if one concedes that the EU's goals are motivated exclusively by normative ends, there remains the question whether the means or sources of EU power are normative, material, or – as seems likely – some combination of the two. To his credit, Manners did not argue that EU power arose solely through ideational processes – and a careful reading of Manners' six "factors" reveals a mix of ideational processes and hard economic and institutional conditionality as potential mechanisms of normative diffusion.

Indeed, the significance of material power in diffusing EU norms is at the center of two of the most important research programs in EU studies over the past decade. The first of these, on EU enlargement and its effects on candidate countries, has produced a sprawling literature, much of which points to the centrality of material power and economic conditionality. In the most systematic multi-author study, for example, Ulrich Sedelmeier and Frank Schimmelfennig (2005: 210-11) find some evidence for normative influence through lesson-drawing and socialization, but conclude that, on balance, "the external incentives provided by the EU can largely account for the impact of the EU on candidate countries," and other landmark studies similarly point to economic conditionality as providing the best explanation for the timing and the substance



of EU normative diffusion to candidate countries (see also Vachudova 2005, Zürn and Checkel 2005).

A second research program, on the EU and global human rights, similarly points to the importance of material pressure and economic conditionality in securing implementation of human rights norms in third countries. In a series of publications, for example, Emilie Hafner-Burton examines the EU's growing use of human rights conditionality in its preferential trading agreements and demonstrates that only such hard incentives show a statistically significant correlation with human rights performance in third countries (Hafner-Burton 2005, 2009). By contrast, a recent study of EU human rights diplomacy in the United Nations system demonstrates declining support for EU positions in the UN General Assembly, the Security Council, and the Human Rights Council, where the EU has increasingly lost ground to defenders of national sovereignty like Russia and China, despite the impressively unanimous and impassioned advocacy of the Union and its members (Gowan and Brandtner 2008).

Indeed, surveying the EU's human rights and environmental foreign policies in recent years, it is hard not to conclude that the EU foreign-policy practitioners have drunk the NPE Kool-Aid, believing that the force of the EU's normative example really could change the world, uncoupled from the EU's material sources of bargaining leverage. That view has served the EU poorly in the UN human rights realm, and condemned the Union to near-irrelevance at the Copenhagen climate-change negotiations in December 2009. The danger is that, having effectively yielded material conditionality as a positive force for change in the past, EU practitioners may mistake the ideal-type image of a normative power Europe for an accurate description of the EU's actual influence in the world – to the detriment of the EU and of the causes it advocates.

Bringing the Material Back In

None of this is to say that the EU is driven exclusively by material concerns, or that declarations of normative principles are epiphenomenal concealments of material economic or geopolitical interests. The abhorrence that many Europeans feel for the death penalty and for genetically modified foods, and their commitment to human rights and sustainable development, are real, and not (or not always) reducible to underlying material interests. As Adrian Hyde-Price (2008) has suggested, even a realist account can allow for “second-order” normative concerns to shape EU foreign policy, particularly when “first-order” material interests are weak or indeterminate.

Nevertheless, it seems as if the romance of the NPE image has not only dethroned material inter-

ests from their primacy, but runs the risk of expunging material interests and material power resources from our analysis. To do so, however, would be profoundly unwise, for two reasons. First, the systematic, theoretically derived and empirically grounded study of the EU's material foreign policy interests has been one of the greatest achievements of contemporary international political economy (Lake 2008) and EU studies (Moravcsik 1998, Fioretos 2011), and ignoring these findings would represent the abandonment of one of our most effective social scientific tools.

Second, the question of the EU's normative or material preferences, and the normative or material means it uses to advance those preferences in the world, is ultimately an empirical question, and our theoretical framework for studying EU foreign policy should not rule in favor of either material or normative factors by assumption (Aggestam 2008). For students of the EU, our primary aim as scholars should not be to celebrate the EU's moral superiority in an uncritical fashion, but to understand the full range of normative and material motivations and power resources that the EU brings to bear in shaping the world beyond its borders

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Between Modern Statehood and International Organisation: Creeping – Global – Constitutionalism?

Antje Wiener

Introduction

With its notable 2008 ruling in the Kadi Case, the European Court of Justice (ECJ) stepped in to protect fundamental rights of individuals against the United Nations Security Council's (UNSC) policy of smart sanctions.¹ As AG Maduro emphasised, "[T]he claim that a measure is necessary for the maintenance of international peace and security cannot operate so as to silence the general principles of Community law and deprive individuals of their fundamental rights."² Among other issues, this case emphasises the fragility of fundamental rights protection in international relations. Two aspects are particularly interesting for political scientists. First, it demonstrates the accountability problem as international organisations directly affect individuals. Second, it sheds light on a new practice of non-state actor intervention which leaves states, as the erstwhile principals, to one side, as their agents engage in constitutional matters. The ruling has generated much debate, mainly among European and international lawyers (De Burca 2009). It went relatively unnoticed by political scientists, much as many of the earlier landmark rulings of the ECJ



(compare e.g. Van Gend & Loos³, Costa vs. ENEL⁴).

In this brief essay I argue however that it should matter as a case which brings the gradual change of actorship in international relations to the fore. This change includes two aspects. First, as sovereignty is disaggregated and non-state actors directly affect individuals, fundamental rights protection is undermined. To counter the effect, new norms and principles have been discussed, especially referring to the recent UN reform. Second, as treaty-based international organisations adopt powerful decisions non-state actors such as the EU and the UN are adopting the power of constitution-based organisations. I call the process creeping global constitutionalism and argue that the EU's experience with constitution-building over the past five decades offers a reference frame to understand and critically assess its material and normative potential. The following elaborates on this argument based on three steps which highlight constitutional quality beyond the state, EU constitutionalism and UN constitutionalism.

Constitutional Quality beyond the State

Constitutional quality beyond the state typically clusters around international organisations. It is identified by two characteristics. First, it entails formal (hard) institutions and informal (soft) institutions which are interlocked through legal instruments, policy practices and day-to-day routine. Second, it reveals derivatives of stateness, even though its organisational roots and normative substance cannot be derived from either the modern nation-state or from that of an international organisation. Change of this quality is initiated by international interaction including state and non-state actors. It is measured based on textual and discourse changes of the involved institutions, triggered by social practices that develop in relation with the former. For example, when making public efforts to establish legitimacy with regard to fundamental norms such as democracy or human rights, even when in breach with international law, actors are enacting normative "meaning-in-use" (Milliken 1999). Through this practice, they sustain or contest normative structures. Discursive interventions are therefore empirically accessible indicators of constitutional quality.

Enhanced constitutional quality in international relations represents a shift from treaty-based towards constitution-based international organisations. It places non-state actors near stateness and raises the question of how to deal with derivatives of statehood outside modern national states. Despite its recent formal consolidation as a treaty-based organisation with the 2009 Lisbon Treaty the EU remains the most common example of this shift. Others such as the World Trade Organisation (WTO) and the United Nations (UN) have

also undergone changing constitutional quality (Cass 2001, Cohen 2004). The process represents a potential power shift from state to non-state actors. For example, the EU and the UN's respective bodies now have the power to directly affect individuals, e.g. with the UNSC decisions about smart sanctions or with reference to the responsibility to protect.⁵ Such direct links correspond with political necessity and legal rule. They are, therefore, functional for steering purposes of global governance in the absence of a global political community. However, are they also democratic?

As international organisations actively partake in international decisions their actions matter for the re/constitution of global order. Neither world society theory nor global governance approaches as the leading IR theories in that area are well equipped to answer that question. Furthermore, despite optimistic references to 'politicisation' and 'legalisation' as processes that attribute global politics the potential to counter the accountability problem, functional solutions are likely to miss the central importance of negotiated normativity. Therefore, studies of constitutional quality beyond the state need to turn to constitutional theory. Integration theories including politics and law offer helpful guidance in that regard.

EU Constitutionalism

While formally the post-Lisbon EU seems to be slowing down into a relatively settled existence as a treaty-based international organisation. However, in practice, it is now so advanced in its ways that it stands out among international organisations as a value-based regional order. The EU is sui generis since it differs from all other IOs according to its constitutional quality. Thus, the hard institutions involve legislative, judicative and executive organs, and the soft institutions include core democratic constitutional principles of modern statehood such as fundamental rights, democracy, the rule of law and respect for minority rights. Despite publicly voiced suspicion that the Lisbon Treaty really is not altogether too far off the original constitutional project, the EU is formally established as a treaty-based rather than a constitution-based international organisation. Nonetheless, the felt constitutional quality of this organisation has been influential throughout the process of European integration.

The practice of referring to fundamental rights, especially as expressed through and developed by the EU courts' jurisprudence, has been decisive for constituting a layer of constitutional patina which does not fit either the organisational practices of modern statehood or the organisational practices of a treaty-based international organisation constituted under the rules of international, rather than do-



mestic law. For example, the fundamental norms of sovereignty, fundamental rights and citizenship were central to landmark rulings which were instrumental to the process of 'integration through law' a process which was notably kicked-off with Van Gend en Loos and continued to shape the specific "Community legal order" as autonomous from the domestic law of the EU member states and the international legal order. It is a legal order in its own right despite being a treaty-based organisation. This development was sustained with the Kadi Case and other landmark rulings that matter especially for the reconstitution of sovereignty.

As the EU's is increasingly viewed as a value-based normative power and political theorists discuss the UN's constitutional options, the EU's experience as constitutional player zooming in on the EU's experience offers important insight with regard to two aspects. First, the empirical reconstruction of the social practices of constitutionalism helps establishing the difference between European and other trajectories, i.e. modern or ancient constitutionalism (Tully 1995). Second, as a type of constitutionalism that developed in relation with modern constitutionalism since the height of modernity in the mid-twentieth century (Giddens 1985), EU constitutionalism thus offers a reference frame for other processes of constitutional change such as the UN and the WTO. Both are similarly situated in the historical context of late modernity, yet distinct from the EU as international organisations with a global rather than a regional focus (Dunoff and Trachtman 2009).

UN Constitutionalism

While the literature on constitutionalism remains largely unexplored by students of international politics, international lawyers and European lawyers have cast an attentive eye on the impact of the expanding constitutional quality beyond the state. As the Kadi Case demonstrates, the ECJ's activities are beginning to straddle the line between international and domestic law, European constitutionalism emerges as a contender of modern constitutionalism (Weiler and Wind 2003, Walker and Loughlin 2007). The remainder of this section turns to more recent observations of constitutionalism within the framework of the UN. These discussions have been fuelled by the paradigmatic shift of international relations from assumptions about long-lasting peace in a post cold-war world to security threats in the wake of 9/11. Remarkably, this shift reflects the enhanced and contested political role of the UNSC. This and, relatedly the development of UN constitutionalism remain subject to debate. What can be established with some conviction, however, is that the UN entered the uncharted waters of constitutional quality beyond the state with-

out a safe shore insight. The EU's experience offers a reference frame to establish this position. The following illustrates the value-added of this reference.

Two distinct assessments of the UN reform stand out. They differ to an extent that one is left wondering whether the choice of theoretic tools can lead to such strikingly different findings, indeed. While one praises the UN reform as quite a decisive step towards quality control grounded on a shift from rights-based to value-based international relations (Slaughter 2005), the other issues a warning considering the very constitutional quality of UN governed international politics as a threat to the principle of sovereign equality among states as long as the UNSC is not reformed (Cohen 2008). The question to be raised here for political scientists is (a) whether, how and where constitutionalisation of the UN has taken place, and (b) whether it should take place, and if so, according to which parameters. Turning to the EU offers helpful pointers for this endeavour. These include most importantly, the project of establishing and maintaining democratic legitimacy that remains stable despite unequal power relations. To that end, organising principles such as the equiprimordiality of constitutionalism and democracy would need to be warranted institutionally prior to addressing grundnorm changes of international law.

Conclusion

EU constitutionalism matters for studying other international organisations, not as a blueprint but for critical comparative reference. Both the EU and the UN are increasingly influential as global actors that do not match the treaty-based roles foreseen in their respective original institutional settings. In light of multiple crossings between political, societal and constitutional boundaries, it is no longer obvious "whose sovereignty" to take into account to make sure the principles of justice and fairness are respected when practicing international relations in the 21st century (Cohen 2004). Contrary to the popular perception of the EU's constitutional process, especially its presentation in the media which would appear to support a normalisation of the EU as one among many other international organisations, on a deeper level, the social practices of constitutionalism have been constitutive for a specific type of contemporary constitutionalism that is distinctively European. Given the process of regional integration which has been constitutive for European constitutionalism, the EU's experience offers a framework for addressing enhanced constitutional quality elsewhere.

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Notes

¹ ECJ, Kadi and Al Barakaat, Cases C-402/05P and C415-/05P, 3 Sep 2008.

² Opinion of Advocate General Poiares Maduro, Case C-402/05 P, 28 January 2008, p. 4 (<http://www.statewatch.org/news/2008/jan/ecj-kadi-ag-opinion.pdf> <accessed 6 February 2010>

³ Judgment of the Court, Van Gend & Loos, Case 26_62 (5 February 1963)

⁴ Judgement of the Court of 15 July 1964. Flaminio Costa v E.N.E.L. <http://eur-lex.europa.eu/LexUr.....do?uri=CELEX:61964J0006:EN:NOT>

⁵ Report of the International Commission on Intervention and State Sovereignty (ICISS), Ottawa, Canada 2001, <http://www.iciss.ca/pdf/Commission-Report.pdf> <accessed 31 March 2010>

⁶ Article 6, TEU, now Article 2, Title 1, Lisbon Treaty at <http://www.consilium.europa.eu/uedocs/cmsUpload/st06655.de08.pdf> <assessed 6 February 2010>

⁷ In a more recent opinion in the Rottmann Case, that process was taken further based on the first reference to a “European citizenship” in addition to Union citizenship and national member state citizenship. Schlussanträge des GA Maduro, 30 Sept 2009, Rechtssache C 135/08 Janko Rottmann gegen Freistaat Bayern: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:62008C0135:DE:HTML>

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Europe’s Quiet Revolution: Redefining Power in the 21st Century *Steven Hill*

The world is facing two immense challenges that sometimes get lost amidst all the headlines about global recession, Greek default and contagion. First, how do we identify the institutions and practices capable of enacting a decent quality of life for a burgeoning global population of 6.5 billion people? Or to say that another way, how do we allow China, India, Brazil and other countries to come up in the world, and enjoy a similar standard of living enjoyed by the Americans, Europeans, Japanese and others; and second, how do we do all that in a way that does not burn up the planet in a Venus atmosphere of our own creation, resulting from excessive carbon emissions, pollution, and other downsides of development?

Responding to those two challenges is the defining task of the 21st century. The pressure is on for wealthy, advanced nations like the United States and those in Europe to learn to “do more with less.” More than anywhere else, Europe has been forging the types of innovations that point the way forward for the world to meet these challenges.

Yet Europe’s evolution as a world leader mostly has taken place under the radar, buried under a decades-long dirge of headlines trumpeting its imminent demise, the Greece crisis being the latest example. Just as the mass media misreported weapons of mass destruction and missed an \$8 trillion housing bubble, it has missed the important story of Europe. Part of the misunderstanding stems from the way we define “power.” During the U.S.–Soviet superpower tussle



of the Cold War, power and leadership were heavily dependent on military might. The Bush-Cheney years saw an aggressive reassertion of this muscular posture, and President Barack Obama has continued and even extended some of these policies. Yet for all the talk of America as the world's lone remaining superpower, the events since September 11, 2001, have demonstrated the limits of that power. Meanwhile, Europe's power and influence have been manifesting in myriad ways, some of them traditional and others unconventional:

Economic strength.

The European Union has become the largest, wealthiest trading bloc in the world, and with the inclusion of Norway and Switzerland produces nearly a third of the world's economy – nearly as large as the U.S. and China combined. Europe has more Fortune 500 companies than the U.S. and China together, as well as more small businesses than the U.S. that produce two-thirds of the jobs, compared to half the jobs in the U.S. Europe also has some of the most competitive national economies in the world, according to the World Economic Forum, and is the largest trading partner with both the U.S. and China. Currently it even has a slightly lower rate of unemployment than the U.S. This is hardly socialism, as some have maintained, but rather it is a different form of capitalism than the type seen in the United States – social capitalism vs. Wall Street capitalism. Broadly speaking, Europe has figured out how to harness capitalism's tremendous wealth-generating capacity so that its prosperity is more broadly shared than in the U.S. And because Europe has learned to do more with less and is better at spreading its prosperity around than “trickle down” America, it hasn't needed U.S. or Chinese-like roaring economic growth rates, a lower “steady state” growth rate has been sufficient.

Economic democracy.

Key to Europe's harnessing of capitalism has been the widespread use of practices like codetermination, works councils, co-operatives, public-private partnerships and a vibrant small-business sector, which, in aggregate, are fostering a degree of economic democracy and decentralization. Codetermination's framework, requiring worker-elected representatives sitting side by side with stockholder representatives on corporate boards of directors, and works councils in most workplaces, has fostered a “culture of consultation” that has resulted in workers having input, even into important decisions. That's been a win-win, as businesses have been less plagued by labor strife and internal schisms, and workers are comparatively well

compensated, with high salaries and the most generous social support systems in the world. Americans can scarcely imagine a world in which Wal-Mart, GM or Microsoft's board of directors would have anywhere from a third to a half of its directors elected directly by its workers, or where corporations have to deal with works councils and their “co-decision rights.” Europe, in effect, has redesigned the corporation, yet the popular media is largely unaware of this practice.

Real family values.

Europe's social capitalism is better at supporting families and individuals in this increasingly insecure age, providing not only less expensive universal health care but also a decent retirement, ample vacations, paid parental leave, kiddie stipends, paid sick leave, affordable child care, free or nearly free university education, job training, housing assistance, senior care, efficient mass transportation and more. Hardly a “welfare state,” Europe's social capitalism is an ingenious “workfare” framework that helps families and individuals to stay healthy, productive and working during a time of economic crisis. As a result Europe has far less inequality than the United States, and that in turn has resulted in lower incidences of other social ills such as homicides, people in prison, mental illness and level of trust, according to researchers like Richard Wilkinson and Kate Pickett, authors of *The Spirit Level*.

Despite this generous support system, allegedly overtaxed Europeans really don't pay out more than Americans. Americans are paying exorbitantly out-of-pocket to receive the services and supports that Europeans receive in exchange for their taxes. For example, child care in the U.S. costs more than \$12,000 annually for a family with two children. In Europe it costs about one-sixth amount (in some countries it's free), and the quality is superior. In the U.S. Social Security provides only about half the retirement income needed, which is why Americans are stuffing as much as possible into their IRAs and 401(k)s. But the more generous European retirement system provides 75 percent to 85 percent of retirement income, depending on the country. Either way, you pay, yet these sorts of complexities are not calculated into simplistic analyses like *Forbes'* annual Tax Misery Index.

Moreover, an OECD comparison of tax rates shows that average wage earners in the US don't necessarily pay less in taxes than their counterparts in some European countries. American average wage earners pay an “all in” tax burden of 29.4% (“all in” includes federal income tax, state or local income tax and employee social security contributions). While average wage earners in Belgium, Sweden, Germany



and the Netherlands pay a marginal “all in” tax rate of anywhere from 44% to 55%, Ireland and Switzerland’s tax rate actually is lower than in the US, at 26% and 28.7%. Tax rates in the UK and Spain are not much higher, and even France’s rate is only 31.7% for an average wage earner. Which is rather remarkable, considering how much more the French, Swiss, Brits and others get for their taxes compared to Americans.

Readying for global warming.

Europe is the leading innovator in preparing for global warming, with widespread deployment of conservation practices and “green design” in buildings, as well as renewable energy technologies like solar, wind and sea power, more widely available mass transit, higher fuel efficiency in automobiles, and more. Consequently, Europe’s ecological “footprint” (the amount of the earth’s capacity that a population consumes) is half that of the United States for the same standard of living; the average American emits twice as much carbon as the average European (and four times as much as a Chinese person, eight times as much as an Indian). In the process, Europe has launched a green industry that has created hundreds of thousands of new jobs and is exporting its innovations to the world. Obama campaigned on doing this but so far has been unable to move forward much due to needing 60 out of 100 votes in a filibuster-gone-wild Senate.

Robust democracy.

After centuries of kings and dictators, Europe’s nations have forged political institutions and electoral methods that have produced the most advanced representative democracies in the world founded on institutions like proportional representation, public financing of campaigns, free media time for parties, and universal voter registration. These in turn have fostered pluralism, participation, multiparty representation and consensus policy based on broad public support. Europe’s robust political democracies ensure that politics rule over economics, instead of the other way around, which in turn ensures that the benefits of its prosperous social capitalism are broadly shared.

Now Europe is trying to extend its democratic traditions to the continental-level via the European Union, where results have been more mixed. But the EU is a work in progress; ironically “old Europe” is actually fairly young with the current configuration of the EU dating only to 2004 (by comparison, following the inauguration of the first American government in 1790, it took approximately 80 years -- and a civil war -- for the “United” States to cease being a collection of regions and to forge a national identity).

Innovative foreign policy.

Europe is transforming our very notions of effective power. With America’s “hard power” suffering setbacks, the European Union’s “smart power” is based on regional networks of nations and Europe’s own Marshall Plan for development. These “peace and prosperity partnerships” among neighboring countries has resulted in a “Eurosphere” with some 2 billion people -- one third of the world -- linked by trade, aid and investment to the E.U. Moreover, European foreign policy is slowly learning to distinguish its interests from that of its American partners; contrary to stereotype, Europe has the second-largest defense budget in the world, spending more than China with more soldiers in uniform than the United States. Europe has two nuclear military powers (Britain and France), military jets, tanks and other hardware, and peacekeeping troops serving in hot spots around the world. But Europe has a different approach than the US about when and how to exercise its military option. Europe’s tradition of multilateralism, more than America’s unilateralism, is fostering the skill set necessary for bringing the world together around multiple global challenges.

Some will object that there is no such thing as a “European way,” since Europe is composed of numerous individual nations that show differences among themselves, and often are plagued by disunity. Certainly the Greek debt crisis has re-exposed some of these fault lines. But as Sven Steinmo and Jeffrey Kopstein have observed, the differences between E.U. member nations increasingly are not that much greater “than the differences among Alabama, New York and Minnesota.” The member states of the E.U. have similar approaches to their national economies, health care and other workfare supports, energy, transportation, and democracy. While some European nations hew to this “way” more than others, the overall trajectory is unmistakably clear. Certain dominant elements and tendencies can be distinguished among all the European countries, and the similarities in their basic fulcrum institutions compose a European Way that is distinct from the American Way.

Some have predicted that China, by virtue of its large population and growing economy, is destined to rise to global prominence, perhaps even supplanting America and Europe. But China is still a developing county with low per capita income, low energy productivity, high pollution, and an inefficient economy that produces but a fraction of Europe’s or U.S. wealth or productive capacity. With nearly one billion people living in poverty, especially in the rural areas, China’s “consultative dictatorship” has not demonstrated an economic model capable of fostering a middle-class quality of life that can work for vast populations of





Greece's Debt Crisis: National Failure or EU Shortcoming?

Nikolaos Zahariadis

people. China's growth and evolution since Mao have been impressive, yet it remains in essence a subcontractor to the West, wracked by internal contradictions, corruption, pollution, and social unrest. It's leaders lacked the confidence to tolerate even a whisper of public reflection or protest during the twenty year anniversary of the Tiananmen Square crackdown. It is instructive that few people in the world are banging down the door to move to China.

Some will say that the current Greek default crisis is evidence of a defect in the E.U. and eurozone structures that severely limits its future. But most of the important innovations in Europe have occurred at the national level, with the EU only recently contributing continent-wide directives; Greece's plight does not affect greatly what the national governments have forged together. Its predicament has become a cautionary tale of what can happen if government deficits become recklessly overextended, but most European governments have not suffered that fate (though California has -- last summer the Golden State had to issue IOUs to keep from defaulting, even while a quarter of Californians have no health insurance).

While the Greek situation is messy and noisy, Europe often has evolved in reaction to such a crisis. During each crisis Euroskeptics have predicted the imminent demise of Europe, only to be proven wrong. The Greek crisis seems to be spurring Europe to fine-tune its vision and its institutions, and ironically may end up making it even stronger and more united. Previous crises have certainly played that role. No question, at times Europe can look quite messy, lurching from one apparent crisis to another. And it faces daunting challenges to integrate its minority populations, to get more women into the work force and in some countries to stabilize their declining populations. Yet generally speaking, at the end of the day, Europe gets the job done, and that has been the most salient feature, the most impressive credential, over the past sixty years.

In short, if Europe didn't exist we would have to invent it. In this make-or-break century, the European Way, combining its unique brand of social capitalism with ecological sustainability and regional peace and prosperity partnerships, is proposing a quiet revolution in human development that has the greatest potential to nudge the world forward.

Steven Hill, New America Foundation

On September 3, 2009 Greek Prime Minister K. Karamanlis called for a snap election halfway into his second term. Despite widespread outcry from his own party and opinion polls that predicted a loss, he insisted this was best for the country. It was certainly best for him for the victorious Socialists under G. Papandreou announced three weeks after their victory on October 4 the government's budget deficit would hit 12.5 percent—twice as high as previous estimates. Eventually, the country teetered on the brink of bankruptcy crushed by high borrowing costs. Although initially remote as an option, national default became the only way out of the crisis. What happened? Is this the result of national failure or the outcome of a flawed EU monetary union?

I argue it is fundamentally an EU shortcoming more than a national failure. This does not mean that Greece's profligate spending does not play a major role in this tragedy. Rather the point is that viewing it simply as a Greek problem that needs to be isolated and "corrected," as many analysts seem to argue, will not solve the fundamental issue that belies Europe's predicament. There cannot be successful monetary integration without robust movement toward fiscal and perhaps political integration.

The essay is divided in three sections. The first traces the beginnings of the crisis and the various attempts at defusing it. The second section aims to understand the complexity of the issue. It highlights the various dimensions by elaborating on two levels: the domestic and the EU. Finally, the essay concludes with implications for EU policy-making and the painful process of European integration.

How did the issue come about?

For years successive Greek governments treated the public sector as property whose purpose was to keep them in power. While the issue did not begin with the ascendance of A. Papandreou's—who was the current Prime Minister's late father—Socialists in power, the government's budget deficit and public debt exploded in the 1980s. According to OECD figures, the budget deficit increased from less than 3 percent in 1981, the year Greece became the 10th member of the EC, to 11 percent in 1991 before it went down to 6 percent in 2001. During the same period, public debt



rose from roughly 30 percent of GDP to 82.2 percent and 114.4 percent respectively (OECD various years). Much of the increase in public debt (and the general government's deficit) is attributed to a ballooning public sector, generous industrial subsidies, social benefits, and increasing debt service payments. By 2009, 850,000 people were employed in the public sector in a country of 11 million. Most of Greece's biggest companies are either state-run or state-managed (Tsiantar 2010, Global 2).

Since the Socialists' advent in power for the first time in Greece's post-war history, successive governments accused their predecessors of "cooking the books" to present a rosy financial picture and gather votes. Each government leader promised to take the necessary steps to avert economic disaster and put the country back on the road to prosperity. This is exactly what A. Papandreou (Socialist) said in 1981, what K. Mitsotakis (conservative) said in 1990, what A. Papandreou (Socialist) said again in 1993, and what K. Karamanlis (conservative) said in 2004. It is a time-tested strategy to shift the blame to previous governments—it's always their fault—and minimize the political cost of taking unpopular decisions. Each government then proceeded to do exactly (or worse than) what its predecessor did.

It is no surprise, therefore, to hear Prime Minister G. Papandreou sing the same tune. That is exactly what his conservative predecessor did to him in 2004 when the Socialists were voted out of power. However, two elements make the current crisis a fundamentally different case. First, global attention is shifting from the excesses of the private sector and the financial meltdown to the excesses of the public sector (in Greece, the US, and elsewhere). Second, the magnitude of data correction and the consequent loss of credibility are potentially lethal. The government hid additional expenditures of roughly €16 billion in 2009. The amount may sound minimal to the U.S. Department of Defense, but to an economy of about €240 billion with a current public debt level of €290 billion (121 percent and climbing) it is quite significant (The Economist 2010a).

As a result, Standard & Poor's downgraded Greece's sovereign debt to BBB+ on December 17, driving up borrowing costs. On January 12, 2010 the European Commission formally condemned Greece for falsifying data on public finances, causing further jitters in an already anxious market. Greece reacted by announcing a second round of austerity measures, the first announced in December, promising to bring down the deficit from 12.5 to 8.7 percent this year and below 3 percent by 2012. Unfortunately, investors remain unconvinced, dumping Greek government

bonds and further increasing the yield spread by more than 400 basis points above the German benchmark. Determined to bolster its credibility and bring down borrowing costs, the Greek government announced a third round of austerity measures on March 3, aiming to amass €4.8 billion in savings. Factoring inflation and cuts to public wages and allowances, Greek officials contend the blow to purchasing power will be equivalent to a 10 percent drop. This is significantly higher than that of Ireland, which cut wages by 7 percent but faces deflation of 4.5 percent softening the blow (Kontogiannis 2010).

The issue is that the government's plan will likely cause a deep and prolonged recession coupled with significant social upheaval as the cuts spread beyond the public sector to private companies. One must wonder if the cure is actually worse than the problem. As Münchau (2010) asserts in his commentary, "when a country adopts an austerity package of such magnitude it needs some form of relief, simply to make it through the recession." The drop in purchasing power coupled with medium-term inability to spend on much needed educational and R&D infrastructure mean the country solves its immediate problem by allowing a bigger one to fester. Paying off what the country owes is important, but doing so means Greece does not have the option to invest in its future.

Still unable to sustain borrowing under such terms, Papandreou turned to his EU partners for support. Long on promises and short on details, they failed to agree on what to do. While endorsing the Greek austerity program, political divisions and the lack of details failed to pacify investors. Greece insisted it was not asking for a bail-out, but the EU's lack of ideas, indecisiveness, and institutional incapacity fueled uncertainty, driving up costs and precipitating the very outcome almost everyone is trying to avoid—sovereign default. Finally, on March 25 EU leaders agreed on a facility to provide €25 (later raised to €45) billion to Greece, if needed, via EU bilateral and IMF three-year loans. German Chancellor A. Merkel initially insisted on market rates, but in April agreed to a maximum interest rate ceiling of about 5 percent. Papandreou and several EU leaders indicated they would have favored a Europe-only solution, but Germany wanted IMF participation, fearing it would end up footing the bill. The announcement was still vague on figures but made clear that aid could be invoked only as "last resort." Eurozone members would reportedly retain veto over use of the facility (Evans-Pritchard 2010a). To provide loans, which amount to admission of default, the creditors have demanded additional cuts in Greek wages and pensions, affecting every aspect of the country's economic activity to an extent not seen since the civil



war days of the 1940s (Ziras 2010). On April 23, 2010 Eurostat increased its estimate of Greece's budget deficit to 13.6 %, triggering a rise of Greece's 2-year bonds to 10 %. Unable to borrow on these terms, Greece informed its partners that it would activate the rescue package.

What is the issue?

While most analysts agree that Greek profligacy is at the root of the problem, they neglect the European dimension of the crisis. Keeping the analysis at the domestic level, successive generations of the Greek policy elite have failed the country and its people. In true Greek spirit, Prime Minister Papandreou won the October elections on promises of wage increases, higher social spending, and high public investment in infrastructural development (Hope 2010). He was long on promises to every group and short on details on how to pay for it all. It is impossible to believe that he was unaware of the government's dire financial shape. While he may have been unaware of the true extent of the damage, as a seasoned politician and former prime minister he should have known better than to promise what he probably (and now surely) cannot deliver. A bloated, corrupt, and inept public sector is not news to even the most casual observer of Greek politics. Politicians routinely rate this issue as a high priority only to abandon hope of reform as various groups rebel to protect their turf (Featherstone 2005). Even as most Greeks admit the public sector is "the country's sickest patient," S. Papaspyros, the head of ADEDY which is the country's union of public sector employees, proclaims: "we are not going to become sacrificial victims, regardless of the struggle to save the country" (Hope 2010, 2; Tsiantar, 2010, Global 2).

Despite cosmetic changes in the country's macroeconomic indicators, structural problems remain intact. Greek competitiveness slowly deteriorated over the years, as productivity slowed down, unemployment persisted at about 10 percent, and labor costs increased. The country now runs as a percent of GDP the third highest government budget deficit in the EU, after Ireland and the United Kingdom, the highest public debt in the EU, and the highest current account deficit in the OECD (The Economist, 2010b; Garnham 2010). Entry into the eurozone precipitated the decline because the government gave up currency devaluation as a tool of competitive adjustment. Instead of adjusting to the new euro "order," politicians continued with politics as usual, long on promises and short on results.

But to focus exclusively on Greece's problems misses the point. There is a bigger picture here. The EU's anemic, but not unexpected response has raised

two uncomfortable questions. First, can the EU prevent cascading damage to the euro? The answer is probably not although damage has been so far remarkably contained. The euro's value has fallen in recent months relative to the dollar. As Hans Redeker of Paribas said: "the question is not whether to sell the euro or not. The question is when and at what level" (Garnham, 15). Portugal, Spain, Italy, and Ireland are all teetering on the brink of disaster. Ireland is currently running the highest budget deficit in the EU at 14 percent. Its consumers are buried under a mountain of mortgage debt, while the IMF estimates total Irish bank losses through 2010 may reach €35 billion or 20 percent of GDP (Brown 2010, 16)! Spain and Portugal run yawning budget deficits—Spain's tax base has additionally collapsed following the bust in property markets—and Italy, though it runs a lower budget deficit, still has a public debt ratio that rivals that of Greece.

Once the weakest member of the herd is "cooked," who will be next? Representing only 2 percent of the eurozone's GDP does not make Greece a big deal, but a domino effect of creditors' default might. Almost 70 percent of Greece's sovereign debt is held by foreign investors, mostly British and Irish banks followed by German and French investors. If Greece defaults, British and Irish banks, among others, will be severely affected. As the global financial crisis has amply demonstrated, private bank assets have a bad habit of becoming public liabilities when the economy turns sour. According to estimates by Hayman Advisors, the assets of the five largest banks in each country relative to its GDP produce a frightening list topped by Ireland and the UK in addition to Iceland and Switzerland (Fisher 2010). Greece is in a respectable 16th place after Italy and before Canada. Ireland's public debt is only 41%, but banking-system assets (total assets of its five largest banks) add another 800% of GDP. The UK fares somewhat better, but its public debt plus bank assets exceed 500% of GDP. The list is somewhat similar to the one reported by P. Toscano, using gross external debt figures from the World Bank and GDP figures from the CIA's World Factbook (Toscano 2010). In a tightly integrated system, such as the EU's financial system, damage in one area can quickly produce catastrophic results (Zahariadis 2003).

Second, can there be monetary union without fiscal or political union? In an insightful essay, O. Issing (2010), a former member of the European Central Bank (ECB)'s executive board, argues that a Greek bail-out would mean the end of the euro because it violates EU treaties and opens the gate for more aid to other members. Monetary union is based on two pillars: stability of the euro guaranteed by an indepen-



dent European central bank, and fiscal “solidity” delivered by individual member states. By accepting the rules of monetary union, member states also accept the consequences. Because it is a “no transfers” community of sovereign states, transferring public funds from those who obeyed the rules to those who didn’t “would create hostility toward Brussels and between euro area countries” (p. 11). To quote Guido Westerwelle, Germany’s Foreign Minister, it would be intolerable to “throw German and EU money out of the window and thereby reduce the pressure on Greece to reform” (Evans-Pritchard 2010b).

Leaving aside the fact that talk of a bail-out, when a government explicitly does not ask for it, does more harm than good because it lends credibility to the outcome one is trying to avoid, the argument exposes two fundamental rifts. First, does the EU have the institutional capacity to deal with problems facing some but not all euro-members? Price stability is guaranteed by the ECB, but does it matter in the face of economic instability? It clearly does not. The EU lacks the economic equivalent of the ECB. The idea of creating a politically accountable group of ministers working in parallel to the ECB, floated by France in 1999, was quickly abandoned in the name of bank independence. However, such neglect gave rise to former Commissioner M. Monti’s recent lament: “we have focused on the monetary part of the economic and monetary union while neglecting the economic part” (Thornhill 2010, 2). Supranational monetary stability can be mortally threatened by national fiscal instability. Theoretically, the latter can be pursued on a strictly national basis. In practice, strong supranational institutional infrastructure is the key to fiscal “solidity” because it promotes cooperation, monitoring, and transparency. Greater monitoring power by the European Commission is an important first step, but is it enough to prevent Greece (or Germany) from breaching again the Stability and Growth Pact indicators? Fines are important but will they be enforced when major partners are involved in “profligacy?”

Second, can the EU admit to its high internal imbalances? The Greek turmoil reflects wider structural imbalances among the 16 eurozone members. Greece, Portugal, and other members run persistent current account deficits, but Germany, the Netherlands, and others run persistent current account surpluses. While chronic under-achievers must undoubtedly pursue competitiveness through sound fiscal policies and productivity gains, virtuous over-achievers “should aim to identify and implement structural reforms that help in strengthening domestic demand,” according to a report by the European Commission (Barber and Wiesmann 2010, 4). Given that roughly 70 percent of EU’s

trade is intra-EU trade, even if under-achievers could miraculously improve their condition, someone in the EU must be willing to buy. For every seller there must be a buyer. Germany’s refusal to even entertain the thought that its surpluses may also be part of the problem that requires a coordinated solution does not bode well for the EU. Boosting domestic demand does not simply help, under certain conditions, today’s Greece or tomorrow’s Portugal, but it also helps Germany itself. Those who have the most also stand to lose the most in case of widespread eurozone instability. In the presence of huge current account imbalances and absence of a fiscal union, Europe’s monetary union is probably not sustainable in the long term.

What are the implications for the EU?

The Greek drama has four implications for EU policy-making and European integration. First, Greece will likely suffer an economic catastrophe to which it was a willing participant, shattering the myth that sovereign members of the eurozone cannot go bankrupt. The question is who will be next. Second, membership applications, especially those with financial implications such as Iceland’s, are likely to be put on hold as the EU digests the lessons of this crisis. Third, while economic fundamentals are as important as one’s perception of the fundamentals, EU leaders have not mastered the art of maintaining credibility and trust in the face of market adversity. The EU’s inability or unwillingness to aid Greece reveals the fundamental problem of individual promiscuity and institutional adolescence. EU leaders underline the need for coordinated responses to common threats but lack the institutional capacity to do so. Policy failure occurred as a result of national promiscuity but evolved into a full blown crisis because of lack of supranational institutional capacity. The latter is more important than the former because treaty-fatigue precludes institutional innovation when it is needed the most.

Fourth, a fundamental rift is emerging between two competing visions of Europe. The first vision sees the EU as a club of sovereign states, most of which are bound together by a common currency. This vision is quite familiar to students of European affairs as the intergovernmental model, be it liberal or otherwise (e.g., Moravcsik 1998; Hoffmann 1966). Despite attempts at integration, the EU remains a robust community of states with diverse preferences, domestic imperatives, and international constraints. Its purpose is to reduce the transaction costs of cooperation among its members on a variety of identifiable issue areas. The second vision sees the EU, and especially EMU, as transcending monetary union. Monetary stability requires politically enforced economic stability,



which must overcome nationally defined preferences. Solidarity and a nascent European identity emerge as a result of entrepreneurial actions and creeping institutionalization (Stone Sweet, Sandholtz, and Fligstein 2001). The crisis revealed tendencies in both directions. But the European project appears rudderless; EU decisions were slow, mostly ineffective, and followed rather than anticipated developments. What is missing is leadership that will decisively push the debate in one or the other direction. There may yet be a European act to this Greek tragedy.

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EUSA EU as a Global Actor Interest Section

United Colors of Europe? Immigration, Naturalization, and EU Identity

*Stephanie B. Anderson**

While in Brussels on a recent trip, Europeans from a host of countries all said the same thing to me: “Europe and America need to learn from one another. For example, America does a much better job of assimilating its immigrants.” Despite its numerous, appalling examples of government-sponsored anti-immigrant/foreigner policies, for example, the internment of Japanese-Americans during World War II and, most recently, the current anti-immigrant legislation in Arizona, the US is able to assimilate large numbers of foreigners fairly easily. On average, the United States has given one million immigrants legal, permanent resident status per year over the past twenty years.¹ Could similar immigrants become loyal to the EU? In other words, could immigrants, who have voluntarily left their homelands, being more mobile and therefore less attached to the individual member states, become more easily attached and devoted to the European Union? In 2008, the European Parliament used a photo of a non-white European to advertise the opportunity to be MEP for the day: was the audience other immigrants?

In the context of globalization, the European Union has promoted its image abroad as human rights advocate and promoter of peace and prosperity. Espousing universal values, the EU propagates lessons and advice that apply to all cultures. By the same token, globalization facilitates the movement of people to Europe in search of this promised peace and prosperity. Changing the idea of EU citizenship to embrace foreigners in a similar way to the American ethos and mythos not only fits the image the EU seeks to promote abroad of universal values, but could further legitimize the idea of a European identity in and of itself.

Problems Grafting EU Identity onto Member State Nationals

The integration process may be losing steam. Most decisions regarding the European Union are tak-



en by national parliaments, i.e., the educated elites, with whom the idea of Europe has been the most popular.² When treaty ratification has been put to a popular vote, the results have been rather under-whelming. The Danes voted no in the first referendum on Maastricht. The French voted yes only by the narrowest of margins.³ Ireland rejected both the Treaties of Nice and Lisbon. Moreover, in the ten new EU members, whose populace overwhelmingly voted to join, only 26 percent voted in the 2004 European Parliament elections. To quote Parliament spokesman David Harley, it was a “disappointing and pathetically low turnout.”⁴ Significantly, the Euro-skeptic and right-wing nationalist parties achieved their best results to date across the Continent.⁵ Overall, EU-wide turnout was just 45.3 percent, the lowest turnout in the history of the assembly – until it reached a new low in 2009.⁶ Both France and The Netherlands voted “no” putting the Constitutional treaty in limbo. Altogether, this public skepticism represents a significant ‘speed bump’ on the road to European integration.

Considering that member state nations have been hundreds of years in the making, and that 96 percent of Europeans are born, live, work and die in the same country, one should not be surprised that Europeans feel a significantly stronger loyalty and love for their town, region, and country than for the European Union.⁷ In 2006, more than 75 percent of Europeans polled could not say how many Member States there were.⁸ Part of the problem is that Europeans are rooted, and therefore have neither explored their Union nor taken advantage of all the opportunities that the EU’s freedom of movement offers: “Long-distance mobility is not at all common for Europeans: only 18% have moved outside their region, while the percentage for cross-border migration is especially low (only 4% ever moved to another Member State and fewer than 3% ever moved to another country outside the EU).”⁹

Mobility may be the key because people who have lived in more than one member state ‘feel’ appreciably more European than those who have not moved (66 versus 48 percent). By the same token, people whose parents are from more than one member state have more attachment to the EU. Significantly, even foreigners born outside of Europe ‘feel’ more European than the majority of people who have lived in one MS all of their lives (54 versus 48 percent).¹⁰

Immigrants as Europeans?

These same immigrants very often have no hope of citizenship in EU member states. Although jus soli, citizenship based on the principle of territoriality, is practiced in France as in the United States, and to a lesser extent in Italy, Greece, Ireland, and very recently, Germany, for the most part, jus sanguinis, citizenship based on blood, has dominated in Europe. As a result, even Gastarbeiter, that is, “guest workers” or immigrants



invited into a country to work, were merely 'guests', and therefore, the first to be 'uninvited' in the case of an economic downturn. Their children, despite being born in the country in question, for example, Germany, were still considered 'foreigners', and marginalized.

Helen Elizabeth Hartnell suggested that a foreigner's perception of belonging is based on how "others judge the appropriateness of their presence there."¹¹ For example, although the Roma have lived in Europe for centuries, few member state societies deem their nomadic presence "appropriate" and, therefore, view them as "foreign". According to the European Commission, "most Roma are European citizens."¹² Nevertheless, Italy's government has authorized "vigilante gangs" to monitor Roma migrant camps and other immigrants.¹³

As a result, a host of NGOs have condemned EU and member state policies towards minorities. The Minority Rights Group International (MRG) called upon the "EU to bring its internal anti-discrimination standards up to the level of international human and minority rights law."¹⁴ Human Rights Watch admonished European migration policies that focused "on removing (the migrants) who are present rather than ensuring their rights are protected."¹⁵ The UN High Commissioner for Human Rights "criticized the detention periods in the directive as excessive and an erosion of the right to liberty for migrants."¹⁶

In the US, in debating the anti-immigrant, Kyl Amendment disallowing any paths for immigrant workers to get citizenship, Senator John McCain cited the negative effects of such policies in Europe: "Why is it that all over Europe you find these enclaves of foreign workers who are totally and completely separate from society? Because they are in the situation which this amendment would dictate: No hope, no opportunity, no future, but we will let you work."¹⁷

Although the American 'melting pot' is fraught with problems, Lipset argued "the image of the universalistic American "melting pot" would appear to be validated by intermarriage statistics, which indicate that majorities of Catholics, Jews, Italians, Irish, and Japanese Americans marry out of their ancestral groups. ... The "melting pot" remains as appropriate an image as ever."¹⁸ Other multinational countries such as Canada and Brazil work hard at creating a "national" identity to bind their countries together. In the case of the United States, a national identity is woven around a civil religion¹⁹ and a creed²⁰ rather than the traditional glue of race or language.²¹ Interestingly, the EU's motto, "united in diversity" is almost identical to the American motto, E pluribus Unum. Could the EU, another multinational society, adopt the US attitude towards immigrants, and in doing so, help glue the Union together?

Could the naturalization process help to legitimize European identity?

Without a clear home, these immigrants could

become the first 'Europeans', writ large. In other words, it may be easier for immigrants to become 'European' rather than, for instance, Italian or German. Having left their home country voluntarily, and being rejected by most member state blood requirements for citizenship, these foreigners may be more likely to adopt a European identity based on the EU's creed. By definition, immigrant groups are mobile. With immigrant pockets of Turks, Muslims, Chinese, Roma, etc., in almost every member state, these migrants may have fewer qualms at taking advantage of the freedom of movement the EU offers than its native born citizens as their diasporas provide them a cultural base throughout the Union.

Immigrants may well take more easily to a citizenship based on a creed where an individual can 'elect' to be a citizen while still keeping one's culture. What is the European civic creed? Through the hardship of war, the Europeans have learned how to create a Eutopia.²² To be a 'European', one must be dedicated to peace and the promulgation of international law. The European believes in economic progress and human rights. This characterization of the European is pervasive in EU rhetoric. For example, Javier Solana characterized the European when he declared, "We are pro-peace, pro-security, pro-justice."²³ Such values are encapsulated in the Charter of Fundamental Rights:

The peoples of Europe, in creating an ever closer union among them, are resolved to share a peaceful future based on common values.

Conscious of its spiritual and moral heritage, the Union is founded on the indivisible, universal values of human dignity, freedom, equality and solidarity; it is based on the principles of democracy and the rule of law. It places the *individual* at the heart of its activities, by establishing the citizenship of the Union and by creating an area of freedom, security and justice [emphasis added].²⁴

Being universal and applicable to all the peoples of Europe, the immigrant could become 'European' by adopting these values.

Moreover, such an explicit adoption of EU values could further validate the European project. With regards to US democracy, Bonnie Honig explained that the act of naturalizing a citizen is a reaffirmation of the American ethos and myths: "The American need for periodic testimony to the true universality of its principles and the choiceworthiness of its democracy is met by new immigrant foreigners." A common image in the media is the lines of immigrants of all different ethnic groups and ages, holding American flags and swearing an oath to their new homeland. In doing so, "it re-performs the origin of the regime as an act of consent." In other words, the act is a useful tool for the government to unite the people: "[R]ites of renaturalization reenact the regime's



ideologically approved origins, obscuring the nonconsensual and ascriptive bases and present-day practices of American democracy.”²⁵ The EU has similar nonconsensual practices and issues exemplified by the democratic deficit. Without whitewashing the problems in American democracy, could such a tool be useful to the European Union?

Conclusion: United Colors of Europe?

The Economist argued “Immigration places America at the centre of a web of global networks.” Despite the concerns of unemployment, it advocates loosening US immigration laws because

Immigration provides America with legions of unofficial ambassadors, deal-brokers, recruiters and boosters. Immigrants not only bring the best ideas from around the world to American shores; they are also a conduit for spreading American ideas and ideals back to their homelands, thus increasing their adoptive country’s soft power.²⁶

Globalization means that Europe is becoming such a hub as well; how can it draw upon these resources? In many ways, Europe really has no choice: the people are coming and the EU will have to deal with them. Furthermore, demographics are weakening Europe; with a negative birthrate, Europeans are getting older and will need care.²⁷ Clearly, these immigrants will not be able to become citizens based on blood ties, but perhaps they can buy into the European creed for the benefit of everyone.

If there is a lesson that Europe can learn from the Americans, it is in the power of a mythos both to attract people and to tie them to their new country. According to Jim Cloos, Director for General Political Questions in the General Secretariat of the Council European Union, the way to export European values and stability is by fostering a “circle of friends” around its borders. The tool it uses to attract these friends is the prospect of closer ties and a share in the EU’s prosperity and political stability: “We have enormous power of attraction.”²⁸ European ideals do have enormous power of attraction. Rather than concentrating on surrounding countries, as Cloos recommends – creating a buffer in effect -- the EU needs to integrate the immigrants attracted to the European way of life by offering them the same share in the EU’s prosperity. In doing so, the EU would create millions of ‘friendly’ ambassadors and links to the world. By embracing foreigners with a creed that allows non-Europeans to buy into these ideals, the EU will significantly increase its soft power – and perhaps prosperity and stability as well -- in an increasingly globalized world.

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Notes

* I would like to thank Teena Gabrielson for her comments, and acknowledge the assistance of my students, Sandra King-Savic and Alexandra C. Edwards for their research.

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¹⁷ US Senator John McCain (R-AZ), Comprehensive Immigration Reform Act of 2006, 18 May 2006, <http://www.c-spanvideo.org/videoLibrary/clip.php?appid=595715155> .

¹⁸ Seymour Martin Lipset, American Exceptionalism, (New York: W. W. Norton & Co., 1996): 249-50.

¹⁹ Jürgen Habermas, The Inclusion of the Other (Cambridge, MA: MIT Press, 1998): 113.

²⁰ G. K. Chesterton: "America is the only nation in the world that is founded on a creed," as quoted in Lipset, 31.

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²² Kalypto Nicolaidis and Robert Howse, "This is my EUTOPIA ...': Narrative as Power," *Journal of Common Market Studies* 40 (2002): 767.

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²⁵ Bonnie Honig, Democracy and the Foreigner (Princeton: Princeton University Press, 2003): 94-5.

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EUSA Economics Interest Section

Economics Section Activities

During 2009-10 the Economics Interest Section focused on the issues that the global financial crisis has thrown up Europe. We held our third interconference workshop in March 2010, this time with the support of the Globalization Centre at the Federal Reserve Bank of Dallas. Adam Posen (Bank of England Monetary Policy Committee) gave our lunchtime keynote talk. We thank Mark Wynne and his colleagues from the Federal Reserve Bank of Dallas for their hospitality, logistical support and participation. The workshop website (which also contains the papers presented at this event) can be found at <http://www.dallasfed.org/institute/events/10eu.cfm>.

This year also saw the publication of selected papers from the previous workshop (at the Federal Reserve Bank of St Louis) on the theme of integration and globalization in a special issue of the *North American Journal of Economics and Finance* (Vol. 12, No. 2) edited by Patrick Crowley, David Mayes and Sven Arndt. We summarize some of the main findings in the rest of this contribution from our interest section.

The interest section plans to organise a series of panel sessions on topical economic issues, a roundtable, and a 'keynote presentation' in next year's EUSA conference in Boston. All conference participants will be very welcome to attend our sessions, roundtables and keynote presentation.

Globalization and Regionalization – A Brief Summary

There are three major forces driving the current wave of globalization. Two involve economic policy and acts of policy coordination, while the third is technology. The series of GATT/WTO trade negotiation rounds that began shortly after World War II are clearly central. The second driving force is preferential (regional) economic integration via free trade areas and customs unions, of which the European Union is a leading example. While both approaches contribute to openness and intensified links among trading partners, the advantage of GATT/WTO lies in its inclusiveness and adherence to the principle of non-discrimination.

Indeed, the discriminatory nature of preferential trade agreements has raised concerns about whether such arrangements will in the end act as stumbling rather than building blocks for further integration of the global economy. While preferential arrangements gen-

erate economic benefits through trade creation, those benefits are typically mitigated and sometimes overwhelmed by the negative effects of trade diversion. On the other hand, the experience of the European Union suggests that collaboration within a small group may be better suited for 'deeper' forms of integration and for tackling governance problems associated with integration.

Globalization is likely to be 'lumpy'. Some countries will be more open in terms of exports and imports relative to GDP than others, with large and diversified countries like the United States always less open than smaller ones. The future global economy will likely contain large dominant financial and non-financial firms with global reach and global market-making powers. This has already raised a host of issues with respect to regulation and oversight, not least in light of the credit crisis of 2007–2009.

Within this future global economy, given current trends, there are likely to be groupings of countries with large shares of intra-group trade and finance relative to total trade and financial flows. In this spirit, in their contribution to our journal special edition, Herrmann and Winkler imagine a world of 'convergence clubs', each with a core and a periphery of countries, but not necessarily always in a purely regional setting. Their case studies are Europe and East Asia. In their paper, Demertzis, Hughes Hallett and Schermer study the integration of labor markets in the euro area. Given the importance attributed in the optimum currency area literature to labor mobility as a prerequisite for deeper integration, what are the lessons from Europe?

Given increased labor mobility if these regional blocs graduate to common markets another issue will be fiscal policy. In our special issue, Neumann, Holman and Alm look at the mobility of factors of production and how increased factor mobility affects the ability of governments to tax these factors in the face of competition among different taxing jurisdictions. The findings are intuitive—that mobility will decrease the ability of governments to raise additional revenues unless equivalent services are supplied to increase locational attractiveness.

Another important question about the future global economy will be the nature of exchange-rate arrangements. Will there be as many currencies as there are today? Will there be currency blocs with intra-bloc monetary policy coordination? In the debate on fixed vs. floating rates, an important criterion favoring fixed rates has been the degree of symmetry - in economic structure and exposure to shocks - across countries. Strong asymmetries have been seen as an argument against fixed rates, because countries would want to

retain monetary policy autonomy in order to deal with asymmetric shocks. Hence the question, raised by Artis and Okubo in our special issue, as to whether globalization promotes convergence of business cycles. It would be easier for countries to contemplate common currencies and other fixed-rate regimes if there is an affirmative answer to this question.

The impact of European integration on behaviour and hence on the shape of the cycle is not straightforward. Marzinotto for example argues that the increasing credibility of monetary policy has led to increased nominal price stickiness and hence to a flattening of the Phillips curve – the relationship between unemployment and inflation. This would require a more active macroeconomic policy, particularly in the downside of the cycle. The increasing coordination of labour markets, discussed by Demertzis, Hughes-Hallett and Schemer, reduces the ability of the EU countries to offset each other. However, it is globalization which appears to be the main driver, with the US taking a greater lead in the determination of wages in the EU than Germany. They too find that this leads to a flattening of the Phillips curve.

Although financial opening does not automatically lead to financial deepening, does it enhance the pre-conditions for deeper integration? In their paper in our journal special issue, de Pace and Contessi ask whether the observed rise in intra-EU correlations among cross-sectional capital flows allows the region to be treated as a single entity or 'country' with respect to capital movements. A positive answer would then suggest that policies dealing with such flows might productively be moved from the national to the EU level.

Given the recent turn of events, some academics might be skeptical regarding the relevance of globalization as a future driver behind further integration. The collection of papers in our special issue, however, hopefully provides some evidence to the contrary. If globalization continues once an economic recovery is underway, it may spur a further wave of economic integration, and there is ample room for this. Not only is there potential in trade (particularly in agriculture), but also in terms of capital flows and integration of financial markets. However, political reticence may stand in the way of economic advantage, inhibiting the path of widening the EU.

Patrick Crowley, Texas A&M, Corpus Christi
David Mayes, University of Auckland





EUSA BIENNIAL CONFERENCE
Boston, March 3-5, 2011

Call for papers and panels

The European Union Studies Association invites scholars and practitioners engaged in the study of Europe and the European Union to submit panel and paper proposals for its 2011 Twelfth Biennial International Conference, March 3-5, in Boston, Massachusetts. This conference also marks the 22th anniversary of EUSA. The Program Committee plans to promote the broadest possible exchange of theoretical approaches, disciplinary perspectives and research agendas. Please note the following:

1. On the basics of paper and panel proposals:

- * We welcome both paper and panel proposals, particularly those that foster transatlantic dialogue. Panel proposals need to consist of three to four papers.
- * Participants are limited to two appearances on the conference program (two papers or one paper and one discussant role; chair roles do not count toward the appearance limit). Participants should therefore submit no more than two proposals.
- * For organizational reasons, the program is subdivided into seven substantive sections (integration theory, institutions, economics and political economy, political sociology, law and public policy, external relations). Please indicate for which section you would like to be considered. Note that there is no fixed number of panels for each section. Choosing one section rather than another does not enhance or diminish your chances of having your paper or panel accepted.

2. Other conditions:

- * The Program Committee reserves the right to make changes to organized panel proposals, including their composition.
- * You do not need to be an EUSA member to submit a proposal, but all those appearing on the conference program must be current EUSA members.
- * We cannot honor individual scheduling requests; by submitting a proposal you agree to be available from 8:30 a.m. on Thursday, March 3rd through 6:00 p.m. on Saturday, March 5th.

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Wolfram Kaiser (University of Portsmouth)

This section welcomes papers focussing on the origins, development and/or current operation of individual EU institutions, their functions, cultures, relations with other EU institutions and political actors and their decision-making processes.

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Catherine De Vries (University of Amsterdam)

This section welcomes papers focusing on public opinion and political mobilization concerning European integration, including studies of European elections and referenda, public attitudes about integration, the impact of the EU on domestic elections and social movement and interest group activities.

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Patrick Leblond (University of Ottawa)

The section welcomes papers focusing on economic policies and processes, including trade, investment, employment, competition, fiscal policy, monetary policy, exchange rates, and welfare state reform. The section also welcomes papers on economic phenomena like the global financial crisis, the rise of China, or demographic change.

External Relations, Enlargement, and Security

Alasdair Young (University of Glasgow)

This section welcomes papers on all aspects of EU foreign and security policy (CFSP / ESDP), EU international trade policy and the EU as a 'civilian' or 'normative' power. The section also encourages submissions focussing on past and potential future EU enlargement.

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Tanja Boerzel (Free University of Berlin)

This section welcomes papers focusing on the theory of European integration and methodological issues in the study of the EU.

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Peter Loedel (West Chester University)

This section welcomes paper and panel proposals on any and all aspects of Teaching the European Union.

The firm **deadline** for receipt of paper and panel proposals is **September 30, 2010**. We regret that we cannot consider proposals received after this date. You will be notified of the Program Committee's decision regarding your proposal by December 15, 2010.

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Pollack, Mark A., and Gregory C. Shaffer. *When Cooperation Fails: The International Law and Politics of Genetically Modified Foods.* Oxford: Oxford University Press, 2009.

Mark Pollack and Greg Shaffer's *When Cooperation Fails* is a masterful analysis of the causes and consequences of the failure of transatlantic cooperation as it relates to agricultural biotechnology. The story is as foretold by the title: despite over a decade of efforts, transatlantic cooperation over the regulation of agricultural biotechnology has failed. At the domestic level (chapter 2), multiple factors and contingent events led the US and the EU to adopt substantially divergent—and, ultimately, highly path-dependent—approaches to the regulation of agricultural biotechnology. Bilateral efforts (chapter 3) foundered against these entrenched domestic positions, with hard bargaining on the basis of fixed positions typically overwhelming a more cooperative “deliberative” problem-solving mode. Internationally (chapter 4), the parties faced “battle of the sexes” incentives, in which distributional concerns loom large. Worse still, they had to operate in a “regime complex” formed by many partly-overlapping, partly-duplicative, partly-competing international organizations that defy frictionless movement from problem to institutional solution. Coming back to the domestic level in a second image reversed idiom (chapter 6), we find only small changes in either regulatory approach, fewer still that are directly attributable to transnational/international pressures. Thus, not only has cooperation failed, but the EU-US dispute over agricultural biotechnology promises to endure.

This progression by level-of-analysis works very effectively as an organizing device, allowing the authors to logically present a mountain of material (118 pages of footnotes and references!). The main exception involves chapter 5, which provides a lengthy assessment and evaluation of the WTO dispute-settlement panel's 2006 decision in the EC-Biotech case, brought by the US and others against the EU's de facto ban on approval of new GM varieties. This is obviously an important part of the story. But at 57 pages, setting itself a normative explanatory task at odds with the positive orientation of the rest of the book, and requiring a separate explanatory apparatus (comparative institutional analysis), the chapter feels over-long and out-of-place.

Empirically encyclopedic works are sometimes

more read and consulted than cited. That should not be the case here. When *Cooperation Fails* makes a range of contributions that should put it at the center of a number of research agendas in international relations and law. For the sake of brevity, I will identify four especially laudable and/or noteworthy features.

First, it revives the venerable tradition of the book-length case study, a form which should have a place in our collective toolkits. Anticipating the “generalizability” question, the authors argue persuasively, if too briefly, that agricultural biotech represents the thin end of a wedge of issues that will come increasingly to occupy policymakers. While it is difficult to establish the “leading edge” character of a particular issue with any certainty, incipient processes certainly should be studied as and where they are happening. If the assumption of “leadingness” is correct, generalizability should follow as the process unfolds.

Second, the study of cooperation failure itself is a worthwhile contribution. Liberal IR theory has been overwhelmingly biased toward successful cooperation. This probably stems from its intellectual history, growing as it did out of a rejection of (structural) realist pessimism in this regard. But the time has come for us to turn the considerable analytical power of these theories to phenomena which, we assume, happen all the time, but about which we have nothing or little to say. Cooperation failure is one such phenomenon.

Third, the authors have a particularly fresh and intriguing understanding of the “vertical” interaction of domestic and international law and politics. They are among the very few authors who grapple with path-dependence and institutional stickiness as they relate to international relations. Their account combines 1) real dynamics, as in the stickiness of domestic policy over time; 2) a second image story of how (inside) domestic factors drive outside (international) ones; and 3) a

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second image reversed story of how outside factors feedback into the domestic arena. Taken individually, these elements would scarcely warrant a mention. Taken together, they advance the IR research agenda a considerable way.

Fourth, Pollack and Shaffer provide a field-advancing treatment of institutional multiplicity and complexity “horizontally” at the international level. Scholars are only now beginning to take the measure of this problem. In many areas of international relations and law, the key problem is not anarchy (a dearth of institutions), but polyarchy (a surfeit of them). Understanding over-institutionalized spaces is becoming a pressing concern as the number and range of governance sites proliferates, and the treatment of these issues in chapter 4 of *When Cooperation Fails* is rich with ideas about how to approach this task.

In short, while specialists in agricultural biotech and transatlantic relations will find *When Cooperation Fails* must-reading, the book should also be engaged by a wide range of specialists in international law, politics and political economy.

Joseph Jupille

Antje Wiener. *The Invisible Constitution of Politics.* Cambridge: Cambridge University Press, 2008

The Invisible Constitution of Politics provides an original framework to study the contested meanings of norms in a world of increasing international encounters by using the European Union (EU) as a case study. The book addresses the question of how it is possible that norms remain contested, in cases when governments have agreed on rules and texts, and compliance is motivated by the logic of appropriateness. Interviewing elites about the meanings they attach to the constitutional norms in the EU, this book aims at revealing the constitutive, albeit invisible, features of politics which form “the meaning-in-use” in day-to-day politics “beyond-the-state” context.

The author claims that the traditional dimensions to study norms and their impact on international politics have been insufficient to account for all constitutive elements in constitutionalism. In addition to formal validity, that is characterized by its visibility in the form of legal written documents, and social recognition as a reference for implementation of formally endorsed norms, this book, therefore, adds an interactive process of cultural validation which “reflects and constitutes the meaning that is already in use” (p.6).

The book is divided into three sections. Part I emphasizes the importance of bringing cultural prac-

tices back into studies of constitutionalism to make “meaning” accountable for the study of norms. To this end, this section argues that not only organizational practices, but also their link with cultural practices, should be taken into account to understand the construction of the multiplicity of meanings of norms. Wiener then moves on to the description of her methodology and research propositions that guide her empirical research. The case study uses comparative discourse analysis on the four interviewed elite groups in the EU: Londoners and Berliners (elites in different domestic political arenas) German Brusselites, and British Brusselites (elites in transnational settings). These four elite groups and their connection to their political setting are used as indicators of divergence on the meaning of norms presented in the case study (domestic vs. transnational, domestic vs. domestic, transnational vs. transnational) (p.81).

The comparison serves to demonstrate divergence, convergence or diffusion of meanings among elite groups. Wiener uses four research assumptions to be able to evaluate why the meanings attributed to the norms by different elite groups might converge or diverge (p.51-57). The first of these propositions, liberal community hypothesis, is driven from compliance literature and claims that the elites from the EU member states, or any other international organizations, thus, are likely to interpret norms in similar ways. The second proposition, the layer-cake assumption argues that the elites as a social group converge on the meanings of norms across different political contexts due to high social interaction and cultural assimilation among them. On the contrary, the national identity-options assumption argues that elites with different national identities are likely to diverge in their interpretations of the meaning. Lastly, the rule-in-practice assumption expects divergence according to the level of interaction in the context.

As the case study in Part II demonstrates, the first three propositions regarding the interpretation of meaning by the elites do not hold true because there is no clear divergence among German Brusselites, and British Brusselites, while divergence is apparent between Berliners and Londoners across issues such as citizenship, democracy and the rule of law, and human rights and fundamental freedoms. Therefore, the only contextual proposition that seems to be tenable, is the rule-in-practice. Expanding on this insight in Part III, Wiener concludes that “we can expect an increasing diversity in the interpretation of normative meanings”, “in the absence of transnationalized interaction patterns” (p.213).

One important criticism regarding the empirical chapter and the conclusion drawn by this chapter is the



fact that the questions in the interview about “Schengen”, “enlargement”, and “constitutional politics” are associated with three constitutional norms: ‘citizenship’, ‘democracy and the rule of law’ and ‘human rights and fundamental freedoms’ respectively. Although one can cast doubt on this close association of the meaning of the EU policy areas with the meanings of norms, the success of an alternative approach to study “the meanings of norms” without referring to practical issue areas also seems dubious. In sum, Wiener’s book introduces a thought-provoking research agenda that has long been overlooked and suggests some intriguing new potential paths for future analysis.

Asli Baysal

Steven Hill. *Europe’s Promise: Why the European Way is the Best Hope in an Insecure Age.* Berkeley: University of California Press, 2010.

We’ve all heard of the ‘American Way’, but is there a ‘European Way’? In *Europe’s Promise*, Steven Hill explores European approaches to a range of contemporary policy challenges – from economic policy, to social policy, to health care, to climate change, to foreign policy – and argues that there is a distinctive ‘European Way’. He asks readers to discard outmoded caricatures of the ‘Old Continent’ that are regularly reinforced in American media coverage of Europe – namely that European economies are inefficient, overtaxed and uncompetitive, and that Europe is deeply divided politically. Instead, he demonstrates that the economically advanced democracies of Europe have developed a model of social capitalism and a wide range of public policies that may serve as models for American reformers and for other nations around the world. In short, he argues that Europe has become a global leader, with a model of sustainable development and social capitalism that offers the most hopeful path forward for the 21st Century.

Part one of the book describes what he calls Europe’s “social capitalism”. The discussion is far ranging, as Hill takes us from the post-War roots of labor-management relations policies in Germany to European reactions to the 2008-09 financial crisis. Throughout this section, Hill makes it clear that European countries have established a distinctive approach to capitalism that combines the pursuit of economic growth with a far greater commitment to social cohesion than America’s “Wall Street Capitalism” allows. Along the way, he highlights the economic advantages of institutions and policies such as ‘co-determination’ and ‘flexicurity’. He also argues that European social

policies and childcare policies support European families and reflect real ‘family values’, whereas conservative advocates of ‘family values’ in the US in practice do little to address the needs of working families. Of course, generous social policies have to be paid for, and many Europeans pay higher taxes than Americans to support their social systems. However, in one of the most compelling arguments in the book, Hill attacks the ‘myth of the overtaxed European’. First, he shows that when all forms of taxes are considered, differences in tax rates for most Europeans and Americans are much more modest than is commonly assumed. Second, he rightly points out that many Americans are forced to pay out of pocket for many services – from health, to education, to elderly care – that are financed by tax revenues in Europe.

After discussing Europe’s social capitalism in general terms, Hill turns to an in depth discussion of health care. Again, he dispels myths and caricatures. While many Americans equate ‘socialized medicine’ with the British National Health Service, Hill shows that France, Germany and other European countries have achieved universal, quality healthcare without a ‘government takeover’ of the health care system – while spending much less overall on health care than does the US.

Next Hill explores ‘Sustainable Europe’, focusing on energy and transport policies. For those who recall America’s role as a leader on environmental issues in the 1970s, these chapters may make for depressing reading. As Hill illustrates with a wealth of examples, Europe has become a global leader in renewable energy and fuel efficient transport while the US has lagged behind.

Having surveyed a range of domestic policies, Hill looks at the emerging role of the European Union on the world stage. He shows that the increasing integration of Europe has given the member states of the EU a new kind of influence on the world stage. In an argument that will be very familiar to EU scholars, he suggests that while the EU lacks the military might of the US, it wields ‘smart power’ or civilian power and has enormous influence across a range of issues from global trade talks, to development aid, to democracy promotion.

Hill concludes the book by looking at a number of the major challenges to the ‘European Way’. Two demographic challenges stand out. Substantial increases in immigration to western Europe have created strains, as countries wrestle with questions of how to integrate new immigrants groups. This is particularly true with regard to Muslim immigrant communities, as evidenced by ‘veil controversies’ in France, the UK and elsewhere and by the recent wave of



anti-burqa legislation emerging across Europe. And while there is much political and social resistance to increased immigration, Europe actually needs more people! Indeed, immigration has been one of the few trends counteracting the population decline in Europe. In a chapter subtitled, “Where are all the children?”, Hill reviews data on the unprecedentedly low fertility rates in many European countries and the population declines and potential threat to the European social model that they portend. He then discusses the policy options that may increase fertility rates and reverse this demographic decline.

The two great strengths of Europe’s Promise are its breadth and its accessibility. Steven Hill manages to survey in one book and extremely rich cross section of the policies and political practices that make “The European Way” distinctive – from health care policies, to environmental policies, to family and other social policies, to foreign policy. Hill’s book is also very well written – in an engaging journalistic style – that will draw in undergraduates and seasoned academics alike. The book’s weaknesses are the flip side of its strengths. In its pursuit of breadth and accessibility, it sometimes sacrifices depth. Likewise, in an effort to generalize about *The European Way* the book downplays the differences across European countries in many areas of public policy. Nevertheless, the book makes a great contribution to European studies – communicating in one compelling volume so much of what is distinctive and appealing about “The European Way”. The book will make ideal reading for undergraduate survey courses on European politics or comparative (US/EU) public policy.

Dan Keleman

Marc Morjé Howard. *The Politics of Citizenship in Europe.* Cambridge: Cambridge University Press, 2009.

With due respect to the considerable volume of research published in the last five to ten years on citizenship in Europe, this is the most intelligent book on the subject to date. Marc Howard writes clearly and well on citizenship law in the 27 countries of the European Union (EU), with special focus on the “old” EU 15.

The subject of the research is the access to citizenship for immigrants in Europe – for both adults and children. Professor Howard demonstrates wide variation in citizenship laws through the construction of the Citizenship Policy Index (CPI) and theorizes about two types of variation: the initial laws governing access to citizenship for immigrants and the more recent ef-

forts of some states to liberalize their restrictive laws. In answer to the first question, Howard hypothesizes that those countries with significant colonial empires in the 19th century, combined with early democratization, adopted laws that were more inclusive – that is, laws that provided easier access to citizenship for both adult immigrants and their children. The experience of mixing with other peoples, reflective of the imperial experience, and the civic orientation of democracy combined to create an idea of citizenship that was more inclusive. These countries are France, Belgium and the UK, with Ireland as a component part of the British Empire. The remaining 11 countries of the “old” EU adopted restrictive, ethnically oriented, citizenship laws.

In answer to the second question, Howard points to the politics of citizenship: the latent pressures for liberalization (demographic change, international norms, interest group pressure and the courts) and for restriction (anti-immigrant public opinion). The politics plays out through the party system, where center left parties are more amenable to liberalization, and the mobilization of anti-immigrant public opinion through extreme right parties and/or initiative and referendum movements. Those countries that were able to avoid mobilization of the extreme right responded primarily to the liberalizing pressures. Those countries with extreme right mobilization responded to the restrictive pressures and failed to liberalize.

There are three important contributions in this volume that should be highlighted. The first is the Citizenship Policy Index. To date, there have been few mechanisms for comparing very complex laws across countries. The CPI takes three elements of citizenship

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policy – jus soli provisions for children of immigrants, the length of residence required for naturalization, and the provision for dual citizenship – as the most critical components of citizenship laws for immigrants and quantifies these laws. This is a very useful baseline that permits at least limited quantitative analysis.

The other two contributions are theoretical. The first is that Howard argues that the determinants of the initial citizenship laws are not necessarily identical to the determinants of subsequent change. He is the first to clarify this distinction and he is probably right. He also argues that the status quo ante makes a difference in the probability of liberalization. Countries with relatively liberal citizenship laws are not as likely to succumb to liberalization pressures as those countries with very restrictive laws. This is also an important, and overlooked, point in the citizenship literature.

Howard's book moves the research agenda on immigrant incorporation through citizenship forward in important ways. Scholars in the field need to build on his work in at least three ways. The first is to expand the CPI to include other elements of citizenship law. These laws are complex and, although the three components included in the initial index are crucial, there are other elements that are also important. One distinction is whether the grant of citizenship is subject to administrative discretion or not; another is the degree to which immigrants have to demonstrate their degree of integration into the society. Some of the recent legislative changes to citizenship laws in Europe pass under the radar screen of this index.

The second criticism of the volume is the focus on liberalization of citizenship laws. In general, we should be interested in change rather than a particular direction of change. Empirically, of course, the biggest change in European citizenship laws has been their liberalization. But our theories need to be couched in more generic terms of change in either direction: what are the conditions under which states liberalize or restrict their access to citizenship.

And finally, as Howard himself suggests in his conclusions, citizenship is a global issue, not a European issue. All countries must confront the construction of citizenship laws and may well have to reconsider those laws, given changing circumstances. The least persuasive part of Howard's argument is the determinants of original citizenship laws through colonial experience and timing of democratization. There may well be an empirical regularity here, in Europe, but it is hard to see how the Belgian colonial experience in the Congo – initially as King Leopold's private preserve – actually shaped a more inclusive definition of Belgian

citizenship. Thinking about the issue of state membership in more generic terms may well shed additional light on these issues and give the empirical regularity a more solid causal connection. And, although the proportion of migrants from developing to developed countries has increased dramatically in the last 50 years, migration flows are global and almost half of the world's international migrants are located outside of wealthy democracies. Scholars need to think about the pressures for liberalization and restriction in more generic political processes. Howard does emphasize the illiberal nature of democracies in incorporating migrants, a point that should all give us pause as we witness the spread of democratization around the globe.

This volume is well worth the money and the time. It is well written, makes important contributions, and clarifies the direction for future research.

Jeannette Money

Tanja A. Börzel, ed. *Coping with Accession to the European Union: New Modes of Environmental Governance*. New York: Palgrave Macmillan, 2009.

This edited volume is a thorough and insightful account of the role of new modes of governance—understood as the involvement of private actors in public policy making through nonhierarchical coordination—in helping future member states to cope with their accession to the European Union (EU). The role of new modes of governance in the context of European integration is explored on the basis of the southern and eastern enlargements of the EU, and in terms of its common environmental policies. The volume presents the findings of a research project “Coping with the Challenge of Accession” as part of an integrated project “New Modes of Governance in Europe,” funded by the Sixth Framework Program of the EU and coordinated by the European University Institute. The project explored how transition countries in southern Europe as well as central and eastern Europe (CEE) coped with the challenge of accession to the EU by using new nonhierarchical modes of governance.

The book addresses the question, to what extent have nonstate actors assisted the governments of southern and CEE accession countries in adopting and adapting to the *acquis communautaire*? The major finding of the research team is that new modes of governance played at best a marginal role in the accession of southern European and CEE countries to the EU. The team further explains this empirical finding by demonstrating that the accession countries of



the southern and eastern enlargements have lacked two fundamental preconditions for the emergence and effectiveness of new modes of governance: state and nonstate actors with sufficient resources to engage in nonhierarchical coordination to improve the effectiveness of public policy. This “governance capacity” has been largely taken for granted by the governance literature since it has almost exclusively focused on Western democracies.

The book is organized into ten chapters – four more general theoretical-comparative chapters written by Tanja Börzel, and six chapters on the accession of selected accession countries and in particular Greece, written by Charalampos Koutalakis; Portugal, written by Ana Mar Fernández and Nuria Font; Spain, written by Nuria Font and Ana Mar Fernández; Hungary, written by Aron Buzogány; Poland, written by Sonja Guttenbrunner; and Romania, written by Aron Buzogány. The Introductory chapter, written by Tanja A. Börzel, lays out the structure of the book and positions the comparative research project within the new forms of governance literature. The first chapter, “New Modes of Governance and Accession: The Paradox of Double Weakness” by Tanja A. Börzel, introduces the empirical puzzle and the theoretical challenge it poses to the literature on (new modes of) governance. The second chapter, Environmental Policy and the Challenge of Accession, written again by Tanja A. Börzel, discusses the specific challenges that accession countries face in adopting and adapting to the *acquis communautaire* in the field of environmental policy. It also explains the research design of the empirical study and provides the analytical framework that guides the comparative case studies.

The six empirical chapters systematically reveal and compare how southern European and CEE countries coped with the challenge of accession and the problems that they faced in adopting and adapting to the *acquis communautaire*. The country studies on Spain, Portugal and Greece, as well as on Poland, Hungary and Romania find very limited empirical evidence for the emergence of new modes of governance in both the southern as well as the eastern enlargement process at the time of accession. The capacities of Poland, Hungary and Romania have been weaker than those of their southern counterparts in the 1980s. New modes of governance have emerged only sporadically in situations where state actors possessed sufficient capacities to remain in charge of the policy process. These new modes of governance hardly went beyond consultation with stakeholders and delegation of technical tasks.

In the concluding chapter, Tanja A. Börzel summarizes the major findings of the comparative case

studies and discusses their implications for the literature on (new modes of) governance.

This book is an important contribution for two reasons. First, it provides the first systematic comparison of southern and eastern enlargement from the perspective of candidate countries. The authors have used a unified analytical approach which raises the comparability level and increases the intellectual appeal of the book. Second, the book makes an important theoretical contribution to the underdeveloped field of new modes of governance in the context of European integration. The authors argue that the “shadow of hierarchy” has a crucial impact on the incentives for both public and private actors to engage in nonhierarchical coordination and helps to explain why so little evidence was found by the study on new modes of governance in accession countries. This “governance capacity” has largely been taken for granted by the governance literature since it has almost exclusively focused on western democracies.

In sum, I find this book to be a valuable empirical and theoretical addition to the literature on new modes of governance. I would highly recommend it to both academic scholars and students of European integration, and to practitioners and policy makers from the region.

Elena Iankova



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The EUSA Review (ISSN 1535-7031) [formerly the ECSA Review] is published four times yearly by the European Union Studies Association, a membership association and non-profit organization (founded in 1988 as the European Community Studies Association) devoted to the exchange of information and ideas on the European Union. We welcome the submission of scholarly manuscripts. Subscription to the EUSA Review is a benefit of Association membership.

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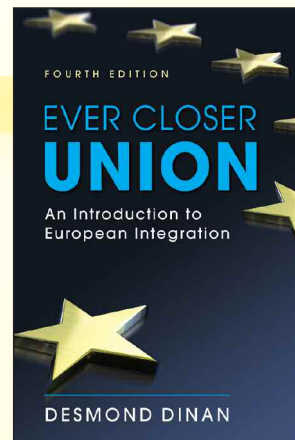
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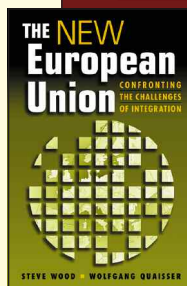
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