How Likely Is It That The European Union Will Disintegrate? 
A Critical Analysis of Competing Theoretical Perspectives

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Abstract

This article turns existing theories of European integration on their head, exploring the conditions under which they would predict the European Union to disintegrate and assessing to what extent these conditions currently exist. It then provides a critique of these theories, of which the most optimistic, it argues, have an insufficiently comparative interspatial as well as inter-temporal focus. It argues in particular, in modified hegemonic-stability-theoretical vein, that what distinguishes Europe from other much less politically integrated regions primarily is the strong commitment to political integration of the region’s economically most powerful, ‘semi-hegemonic’ state, Germany. As this commitment could wane, European integration is rather more contingent than optimistic theories of European integration suggest – even though a fundamental re-orientation of German European policy at the present time seems unlikely.

1. Introduction

‘If the Euro fails, then not only the currency fails … Europe will fail, and, with it, the idea of European unity’ (Spiegel Online 2010). With these remarks, made as the European Union (EU) addressed the Greek sovereign debt crisis in May 2010 and reiterated in September 2011 (Financial Times 2011), the German Chancellor Angela Merkel dramatically described what she believed was at stake in what meanwhile seems to be a durable crisis not only of the Euro, but also of the integration process itself.

If a ‘crisis’ is defined as a ‘situation that has reached an extremely difficult or dangerous point; a time of great disagreement, uncertainty or suffering’ (Cambridge English dictionary), the current situation of the EU may well be labelled a crisis – the ‘most serious’, in the view of the longtime German foreign minister, Hans-Dietrich Genscher, in its history (quoted in Spiegel Online 2011a). However, the EU has proved to be an extraordinarily robust and crisis-resistant organization. It survived the collapse of the European Defence Community project in 1954, France’s rejection of two British bids for accession in the 1960s, the empty-chair crisis

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precipitated by De Gaulle in 1965, the crisis concerning the UK’s contribution to the EU budget in the first half of the 1980s, the semi-destruction of the European Monetary System in 1992-93, and the defeat of several proposed new treaties in referenda in Denmark, Ireland, France and the Netherlands since the end of the Cold War. Indeed, any observer looking back at how the integration process absorbed and rebounded after these various shocks would likely concur with the EU’s founding father Jean Monnet’s prognosis that ‘Europe will be forged in crises and will be the sum of the solutions adopted for these crises’ (quoted in: Barber 2010).

For the purposes of this analysis, I define the concept of disintegration as referring to a decline in (1) the range of common or joint policies adopted and implemented in the EU, (2) the number of EU member states, and (3) the formal (i.e. treaty-rooted) and actual capacity of EU organs to make decisions if necessary against the will of individual members. As serious as the EU’s crisis seemed to be in autumn 2011, there was no unequivocal empirical evidence that the integration process had begun to unwind and the EU to disintegrate. Still no member state had ever left the EU, while several states were queuing to join it. Still no issue-area into which the EU’s competence had previously been extended had been repatriated to the member states. There had still not been any observable formal or actual diminution of the EU’s decision-making capacities. The Euro crisis had led to more rather than less economic policy integration. To this extent, the current crisis had hitherto produced no more disintegrative consequences than earlier ones.

Nonetheless, the fact that the EU has surmounted numerous previous crises does not alone guarantee that it will prove equally capable of overcoming the current crisis, especially if it is indeed more profound than its predecessors: ‘There are moments in history when just because things were the same way in the past doesn’t mean they will be that way in the future’ (US President Obama quoted talking to ex-Egyptian president Mubarak before his overthrow in New York Times 2011). Historically, far more regional organizations have failed than succeeded – it can not simply be assumed that the EU will continue to defy the fate that its counterparts in other regions have typically experienced. Absent concrete empirical evidence of disintegration, however, how can we try to assess the likelihood that the EU will start to disintegrate? In this paper, I propose to tackle this task in two steps. First, I shall discuss existing theories of European integration and, turning them on their head, identify the conditions under which they would expect disintegration to begin to occur and assess the extent to which these conditions hold at the present time. Second, I shall present a critical analysis of these theories that emphasizes the failure of most of them to provide a sufficiently comparative perspective on the determinants of European (dis)integration. ‘Optimistic’ integration theories in particular overlook the extent to which integration was facilitated first by favourable domestic political contexts that no longer exist in many member states in the 21st century and second by the pro-integrationist policies of the EU’s ‘semi-hegemonic’ member state – Germany – policies that can also no longer be taken for granted. The EU’s future thus appears to be much more contingent than these theories suggest, even if at the present time a fundamental re-orientation of German European policy – and therefore European disintegration – seem unlikely.
2. The conditions of European disintegration: Competing theoretical perspectives

Short of tangible evidence that the EU is already disintegrating, the most fruitful way of trying to work out what impact the current crisis may have on the EU’s future is to ask to what extent there has been any change in the variables that have fuelled the integration process in the past. This section will explore competing theories of European integration, comparing the explanations they offer for this process and evaluating to what extent the variables that each identifies as having driven this process are still present, have waned or have disappeared. The theories are discussed in ascending order, according to the extent to which, at the time when they were expounded, they were essentially optimistic concerning the EU’s future.

Realism – the arch-pessimists

The current crisis of the EU should be less surprising for realist international relations theorists than for the exponents of any other theories of European integration. Within months of the fall of the Berlin Wall, the American realist John Mearsheimer portrayed Europe’s future in extremely bleak terms. According to Mearsheimer, if the Cold War ended and the Red Army withdrew from Eastern Europe and American and British troops from continental Western Europe – steps he thought were highly likely - the prospects for major crises and war in Europe would ‘increase markedly’ (Mearsheimer 1990: 6). He argued: ‘If the present Soviet threat to Western Europe is removed, and American forces depart for home, relations among the EC states will be fundamentally altered. Without a common Soviet threat and without the American night watchman, West European states will begin viewing each other with greater fear and suspicion, as they did for centuries before the onset of the Cold War’ (Mearsheimer 1990: 47). Mearsheimer attributed the failure of this scenario to materialize in the decade following his prognosis to the fact that, contrary to his original expectations, the US had kept its troops in Europe (albeit in reduced numbers) and NATO had survived (Mearsheimer 2001). Still sure a decade ago that the US would eventually withdraw its troops from Europe, provoking ‘more intense security competition among the European powers’, Mearsheimer has meanwhile become less certain that this scenario will materialize, while continuing to argue that the US military presence is still the main reason for Europe’s peacefulness (Mearsheimer 2001 and 2010).

From a realist perspective à la Mearsheimer, European disintegration would hence most probably result from an American military withdrawal from Europe and a collapse of NATO. However, despite a significant reduction in the scale of the US military presence in Europe, sporadic tensions in the trans-Atlantic military relationship, and uncertainty as to its future role, NATO has hitherto survived the end of Cold War and even expanded. Moreover, uncertainty as to the durability or reliability of the American commitment to European military security has so far led to more rather than less security and defence cooperation between EU member states, even if at the level of operational capabilities the EU’s progress has been limited and on some important issues, such as military intervention in Iraq in 2003 and in Libya in 2011, the member states were divided. Contrary to what Mearsheimer anticipated, growing distrust among Europe’s
big powers over ‘hard’ security issues is not at the root of Europe’s current crisis. This side of the dissolution of NATO that Mearsheimer anticipated, but that has not occurred, realism does not yield any reason to fear that the EU might disintegrate for the time being. The most pessimistic theory concerning the long-run viability of the EU is based on a scenario that refuses to materialize.

*Classical intergovernmentalism – the moderate pessimists*

Of the theories developed to explain European integration, intergovernmentalism is the one most similar to international relations realism. Like realists in international politics, intergovernmentalists attribute a far more central role in the integration process to the EU’s large and most powerful states than to the others. For Hoffmann, as in realist theories, nation-states, as opposed to supranational organs such as the European Commission, were also still the key European actors, could have divergent interests and in areas of ‘high’ (i.e. security and foreign) politics would resist the forfeiture of policy-making powers to supranational entities much more strongly than in those of low (i.e. trade and economic) politics. Continuing integration was by no means pre-ordained and the authority of supranational institutions remained ‘limited, conditional, dependent and reversible’ (Hoffmann 1966, in Eilstrup-Sangiovanni 2006: 156). The core of Hoffmann’s analysis was replicated in Moravcsik’s ‘intergovernmentalist institutionalist’ approach (Moravcsik 1991), but Moravcsik I differs from Hoffmann by weighting differently the role of international-systemic and domestic-political variables and ‘high’ and ‘low’ politics in determining the stance of national governments on European issues. In Moravcsik I, integration is thus contingent on the degree of convergence of the preferences or interests of the governments of key member states shaped by the requirements of domestic politics, not on the structure of the international system as in realism. It could not simply be assumed that such convergence would be reproduced in the future as it had occurred in respect of the Single European Act in the 1980s. However, in as far as two of the ‘big three’ governments (i.e. the French and German) could credibly threaten to exclude the third (i.e. the British) from the integration process and thus coerce it to participate, a bilateral Franco-German accord could suffice to keep the integration process on the rails.

Classical intergovernmentalism focuses our attention on the evolution and degree of convergence of the stances of the French, German and British governments as determinants of the future of European integration. Trends in this trilateral relationship in the last two decades do

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2 I use the label of ‘Moravcsik I’ to refer to his theory of intergovernmental institutionalism to distinguish this from his later theory of liberal intergovernmentalism (‘Moravcsik II’), which differs from the former primarily by attaching decisive weight to economic considerations as motives shaping the preferences of member governments in the EU. While Moravcsik I implies that political integration is a highly contingent process, Moravcsik II suggests that high economic interdependence among member states leaves governments no real alternative but to persevere with European integration.
not augur well for the EU’s future. Growing British Euro-scepticism has made Franco-German threats to exclude the UK from the integration process increasingly hollow – not because such threats cannot be implemented, but rather because the British government has generally decided that, even if they were, the costs of participation in projects of closer integration would exceed the benefits. Hence, closer integration – as with the Euro and the Schengen Area – has increasingly assumed a ‘variable geometry’ or ‘multi-speed’ pattern, with a subgroup of ‘avantgarde’ member states launching a project and (some or most of) the others subsequently acceding to it.

Notwithstanding the current crisis, the evolution of participation in such projects as the Euro, Schengen Accord and the (post-Eastern enlargement) Prüm Accord relating to the exchange of police data testifies to the continuing capacity of Franco-German cooperation to generate powerful centripetal effects that draw more and more member states, despite their initial reservations, to participate in closer integration. Clearly the Franco-German ‘tandem’ can occasionally exercise a decisive influence in the EU even after the post-Cold War enlargements from 12 to 27 member states, especially where the two governments form ‘opposing poles’ in the EU around which other member states can coalesce (see Webber 1999 and Schild 2010). However, as the issue of military intervention in Libya indicated, the French and German governments cannot always agree and cooperate. Growing political opposition to closer European integration in both France and Germany, as shown by the outcomes of the treaty referendums in France in 1992 and 2005 and the more recent controversy over the management of the Euro crisis in Germany, has complicated the task and processes of mediating Franco-German conflicts and the development of common Franco-German positions. Intergovernmentalism implies that if a fundamental breakdown should occur in Franco-German relations, this would surely lead to European disintegration. Up until autumn 2011, however, no such breakdown had taken place. Indeed, if anything, the Euro crisis had intensified Franco-German cooperation, albeit the relationship seemed to be increasingly asymmetric – to Germany’s advantage (Schild 2011).

*International relations institutionalism – the cautious optimists*

Institutionalist theories of international relations are cautiously optimistic as to the prospects for European integration. This is despite the fact that IR institutionalists agree with realists that states are the principal actors in European as in world politics. They do not share the neofunctionalist precept that international or regional organizations (‘regimes’) like the EU can be influential actors in their own right. However, in contrast to realists, IR institutionalists argue that such organizations can achieve a high level of durability or permanence by helping states to overcome collective action problems, carrying out functions that these cannot, notably ‘facilitating the making and keeping of agreements through the provision of information and reductions in transaction costs’, monitoring compliance, reducing uncertainty and stabilizing expectations (Keohane 1993: 274, 284 and 288 and Keohane and Nye 1993: 2-5). Still,
international regimes can function only if two preconditions are met: ‘Without a basis either of hegemonic dominance or common interests, international institutions cannot long survive’ (Keohane 1993: 295; current author’s emphasis). Institutionalists were nonetheless optimistic, as the Cold War ended, that the EU would flourish in the future. Keohane, for example, argued that ‘Since common interests are likely to persist, and the institutions of the European Community are well-entrenched, ... the EC will remain a durable and important entity ... [It] will be larger and have greater impact on its members’ policies in the year 2000 than it was when the Berlin Wall came down in November 1989’ (Keohane 1993: 291). Keohane added that his prognosis applied ‘at least as long as continued cooperation will help governments attain their economic and political interests’ (Keohane 1993: 291). By the same token, for institutionalists, international institutions had to be promoted by the ‘most powerful states’ for them to be ‘successful’ (Keohane and Nye 1993: 18).

From an IR institutionalist perspective, the critical questions relating to the EU’s future are thus whether especially in the enlarged EU there are sufficiently pervasive common interests linking member states and whether, much as for intergovernmentalists, the ‘most powerful states’ – by which the US is as much meant as the ‘big three’ EU members – continue to support the integration process. The institutionalist literature does not specify how the evolution of the incidence of common interests in the EU could be determined, other than in a post-hoc fashion, according to whether and with what degree of ease or difficulty the EU has managed to make decisions. Although, other things being equal, growing economic and other forms of interdependence may exert a countervailing effect, the post-Cold War enlargements have surely increased the EU’s socio-economic, cultural and political heterogeneity and thus diminished the scope of common interests among the member states. If common interests among member states should indeed be declining, then IR institutionalists would expect the risk of European disintegration to have risen.

The other critical issue for IR institutionalists is whether the ‘most powerful states’ still support and, in as far as they are EU members, are willing to be constrained by the EU. If this category includes the US, as it evidently does for Keohane and Nye (1993: 16-19), prospects for European integration may be less bright than they were before the end of the Cold War. As shown, for example, by predominantly negative US reactions to European aspirations to develop a military intervention capacity independent of NATO, American support for further European integration has grown more ambivalent during the last two decades. As the Iraq war conflict indicated, the US continues to exercise considerable leverage over (non-Russian) Europe and trans-Atlantic conflicts normally also generate conflicts among EU member states. Among the ‘big three’ EU members, as noted above, divergences of interest have grown between the UK, on the one hand, and France and Germany, on the other, but these have not stalled the integration process or undermined the EU, but rather led to the emergence of an increasingly differentiated EU. From an IR institutionalist as well as an intergovernmentalist perspective, the EU’s future seems likely to ride on the evolution of the Franco-German relationship and especially on the capacity and willingness of the united Germany to underwrite the integration process in the same way that it did in the past. Institutionalists were struck by the extent to which as an international
institution the EU had managed to shape Germany's conception of its own interests in a ‘pro-European’ direction (Keohane and Nye 1993: 9, 15-16). They certainly anticipated that the emergence of a ‘Europhobic’ Germany would have grave consequences for European integration.

If common interests should be waning and big powers should become less supportive of European integration, institutionalist theory would predict the demise of European integration. However, this may turn out to be a lengthy drawn-out process. For, even in the absence of common interests, Keohane explains (1993: 295), ‘organizational inertia, considerations of reputation, and connections to domestic politics mean that institutions often persist even when the conditions for their creation have disappeared’. In this scenario, European disintegration would not occur abruptly, as a ‘big bang’, but rather would be a slow process of attrition, in which ever greater difficulties in adopting new legislation goes hand-in-hand with ‘an erosion of the existing acquis through creeping non-compliance and “institutional hypocrisy”’ (Iankova and Katzenstein, quoted in Scharpf 2006: 858).

*Historical institutionalism – the (slightly qualified) optimists*

Criticizing intergovernmentalism, historical-institutionalist scholars of European integration argue that, over time, the capacity of member governments to control supranational organs such as the Commission and the ECJ has declined and integration has become increasingly irreversible. Pierson (1998) identifies several variables that explain how ‘gaps’ in the capacity of member governments to control supranational actors emerge: these actors’ partial autonomy, the restricted time horizons of political decision-makers in the member states, unanticipated consequences, and shifts in the preferences of the heads of member governments. Once such gaps have emerged, member governments face a well-nigh impossible task trying to close them again, as the supranational actors resist them, the treaty-rooted institutional barriers to reversing them are high, and governments that do or would otherwise champion such changes are constrained by ‘massive sunk costs’ and by the high and rising price of exit, which makes any threat to leave the EU as a weapon to influence its policies increasingly implausible: ‘While the governments of “sovereign” member-states remain free to tear up treaties and walk away at any time, the constantly increasing costs of exit in the densely integrated European polity have rendered this option virtually unthinkable’ (Pierson 1998: 47).

In the logic of historical institutionalism, the EU’s growing longevity should make it increasingly immune to disintegration or collapse. However, given that there are many historical examples of regional or other international organizations having collapsed, failed or become moribund (see Mattli 1999), the notion that growing age should make organizations or political systems such as the EU completely immune to disintegration or collapse is implausible. Whilst HI scholars generally focus on constraints and the “stickiness” of historically evolved institutional arrangements’ and provide ‘explanations of continuity rather than change’, they recognize that crises can bring about ‘relatively abrupt institutional change’ (Thelen and Steinmo 1992: 15). Krasner has applied the biological concept of ‘punctuated equilibrium’ to characterize
a pattern in which long periods of stasis are interrupted by ‘short bursts of rapid institutional change’ (Krasner 1984: 242-243). He quotes the evolutionary biologist Gould to the effect that rapid change occurs when a ‘stable structure is stressed beyond its buffering capacity to resist and absorb’ (Krasner 1984: 242-243). However, HI scholarship does not provide any criteria with which we could identify a ‘crisis’ or the conditions under which what they define as a ‘crisis’ could provoke abrupt or radical changes, such as a reversal or collapse of European integration. It is difficult therefore to judge whether from an HI perspective the EU’s current situation amounts to a ‘crisis’ that could precipitate fundamental institutional change in the EU or even its demise. Nonetheless, in as far as they admit the theoretical possibility of radical change, albeit under exceptional circumstances, HI analysis is implicitly more circumspect about the prospects for European integration than contemporary neo-functionalist-cum-transactionalist and liberal intergovernmentalist theories.

**Neo-functionalism, transactionalism and liberal intergovernmentalism: the unequivocal optimists**

Neo-functionalism and transactionalism, associated respectively with Ernst ‘Haas and Karl Deutsch, both provide fundamentally optimistic theoretical perspectives on European integration. However, the trials and tribulations of the EU in the 1960s and 1970s taught Hass and other neo-functionalist ‘old hands’ that other scenarios than ever closer political integration were conceivable. In the first half of the 1970s, Haas declared regional integration theory altogether to be ‘obsolescent’ and like-minded scholars declared that not only ‘spill-over’, but also ‘spill-back’ was possible (Haas 1976; Lindberg and Scheingold 1970; Schmitter 1971). More contemporary neofunctionalist-cum-transactionalist theorizing, as exemplified in the work of Stone Sweet and Sandholtz (1997), is much less ambivalent. In this perspective, European integration – the growth of European-level governmental structures and formal and informal rules - is the more or less inexorable outcome of growing volumes of (principally economic, but also other forms of) transnational exchange that force national governments to acquiesce in the transfer of more and more policy-making competences to the European level: ‘As transnational exchange rises, so does the societal demand for supranational rules and organizational capacity to regulate’ (Stone Sweet and Sandholtz 1997: 306). Once the pressures created by growing transnational exchange have led to the foundation of European governmental structures, similar to the process of spill-over described by Haas, a self-sustaining dynamic of institutionalization - a process by which ‘rules are created, applied, and interpreted by those who live under them’ - kicks in, locking member governments ever more tightly into the EU (Stone Sweet and Sandholtz 1997: 310). Institutionalization made it unlikely that even a profound economic crisis, which would likely reduce levels of transnational economic exchange in Europe, could undermine European integration. Sandholtz and Stone Sweet argue that transnational interactions ‘will not drive the evolution of the EU forever … The more institutionalized EU governance is in any given sector, the more the EU will, on its own, provide incentives to seek, and opportunities to pursue, additional supranational development. EU rules are increasingly dense; ambiguities
and conflicts among rules are inevitable. Actors facing those ambiguities and conflicts in EU rules will want authoritative clarifications. The result will be to reinforce EU organizations as arbiters of existing rules as well as generators of new ones … The EU polity itself generates needs that will be met by enhanced supranational governance’ (Sandholtz and Stone Sweet 1999: 152-153).

Signifying a rapprochement between formerly antagonistic theoretical perspectives, the creator of intergovernmental institutionalism, Moravcsik, has meanwhile reached similarly optimistic conclusions. Before the financial and sovereign debt crises, Moravcsik concluded the EU had developed a ‘mature’ constitutional order or ‘constitutional settlement’ that was unlikely to be undermined by any new challenges to its ‘functional effectiveness, institutional stability or normative legitimacy’ (Moravcsik 2008). In his view, the financial and sovereign debt crises did not jeopardize European integration, but had rather led to a ‘renewed European solidarity and seriousness of purpose’, ‘boosted the European project’ and made Europe ‘stronger than ever’ (Moravcsik 2009). Moravcsik remained confident that the ‘Cassandras … predicting the collapse of the euro, if not the European Union itself’ would be proved wrong (Moravcsik 2010). His certainty that the EU would withstand the current crisis was rooted in his ‘liberal intergovernmentalist’ theory of integration (Moravcsik II), which, although it built on intergovernmental institutionalism, differed from the latter in at least one fundamental respect in identifying economic factors as decisive in shaping member governments’ European policy preferences. Its core claim – comparable to that found in Stone Sweet’s and Sandholtz’s neo-functionalist-cum-transactionalist analysis - is that the ‘increasing transborder flows of goods, services, factors, or pollutants create “international policy externalities” among nations, which in turn create incentives for policy coordination’ (Moravcsik 1993: 485). Compared with Stone Sweet and Sandholtz, however, for Moravcsik member governments remain decisive EU actors, autonomous of the EU’s supranational organs, whose authority is relatively limited. As their vulnerability to negative externalities varies greatly, member governments do not all inevitably support cooperation to liberalize trade and provide public goods; so continuing political integration can not simply be taken for granted (Moravcsik 1993: 486). Nonetheless, growing economic interdependence seems increasingly to foreclose other, unilateral policy options and to compel member governments to forge or acquiesce in closer integration. This is clear in Moravcsik’s analysis of the Euro crisis, in respect of which he argues that EU members, because they ‘inhabit the world’s most economically interdependent continent … have no choice but to cooperate’ and that France and Germany must support Greece financially ‘to avoid a disastrous loss of confidence in French and German banks and bonds’ (Moravcsik 2010: 25-28).

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3 In a subsequent analysis, Stone Sweet, Sandholtz and Fligstein (2001: 27-28) concluded similarly that it was ‘unlikely’ that any future crisis, whether associated with enlargement, monetary union or the EU’s ‘democratic deficit’, would result in institutionalized cooperation in the EU being ‘rolled back’.
3. Analysis and critique – the contingency of European integration

Ploughing the theoretical field of European integration thus yields a diverse harvest of variables whose presence could have a disintegrative impact on the EU, of which Table 1 provides an overview. If these variables are used as a basis for developing prognoses as to the likelihood of European disintegration, the competing theoretical perspectives divide roughly into two groups. Short of an unanticipated process of de-institutionalization, a collapse of economic interdependence and levels of other forms of transnational exchange in Europe, or a deep crisis that destroys the EU’s ‘very sticky’ institutional arrangements, neo-functionalists, transactionalists, liberal intergovernmentalists and historical-institutionalists all minimize the risk of European disintegration. IR institutionalism and, more so, classical intergovernmentalism are much more circumspect about the EU’s future. Viewed from these perspectives, European integration is a much more contingent phenomenon, resting on the scope of member states’ common interests, which has arguably narrowed following successive waves of enlargement, and/or on the extent of hegemonic leadership or convergence of interests among the EU’s three big powers. The latter

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has diminished in as far as the UK has proved hostile to closer integration on most issues, leaving the EU’s fate in these perspectives increasingly in the hands of the Franco-German ‘tandem’. Paradoxically, whilst realism, in Mearsheimer’s incarnation, is the most pessimistic of all perspectives regarding the EU’s future, its pessimism derives from a scenario, namely the collapse of NATO and US military withdrawal from Europe, whose materialization at the present time seems less probable than that of the drivers of disintegration associated with any of the other more ‘contingent’ theories.

Developments during the last decade and since the onset of the Euro crisis testify to the resilience of the EU and European integration and thus lend strong empirical support to the theoretical perspectives that minimize the likelihood of disintegration. It may nonetheless be premature to conclude that the EU will ride out the current crisis unscathed. While the theoretical perspectives discussed in this paper are rooted – for the most part – in old and venerable (liberal, realist and functionalist) international relations theories, the empirical ‘meat’ that they contain is provided by the analysis of political integration in Europe up to the end of the last century. If, however, a broader comparative perspective is adopted – incorporating an interspatial dimension that extends to other regions and an inter-temporal one that distinguishes the politics of the ‘21st century’ EU from that of the preceding half-century – a picture emerges of an EU that rests on less robust foundations and of an integration process that may be less resistant to reversal than neo-functionalist, transactionalist, liberal intergovernmentalist and historical-institutional theorizing paints.

The upsurge of national-populist politics and the EU’s increasingly ‘unpermissive dissensus’

Numerous observers of the EU have noted that during the last two decades the ‘permissive consensus’ that provided a benign context for European political elites to forge closer integration and insulated EU decision-making from mass political pressures has collapsed (see, for example, Taylor 2008, Majone 2009 and Hooghe and Marks 2008; for the original concept, see Lindberg and Scheingold 1970). In some member states, notably the UK, there was always significant domestic political opposition to European integration. Nonetheless, the post-Cold War and post-Maastricht trend towards an increasingly ‘unpermissive dissensus’ has arguably brought about a qualitative change in the context of EU decision-making. Contrary to what was anticipated by neo-functionalists such as Haas, rising volumes of transnational exchange in Europe have failed to produce a corresponding growth in European political identity, as Stone Sweet and Sandholtz recognize, while arguing that ‘there is substantial room for supranational governance without an ultimate shift in identification [of loyalties and identities of actors … from the national to the European level]’ (Stone Sweet and Sandholtz 1998: 6; also Kuhn 2011). The ‘Europeans’ among the citizens of the member states – those who have ‘deep economic and social ties with their counterparts across Europe’ and benefit from Europe ‘materially and culturally’ - account for no more than 10 to 15 per cent of the EU population (Fligstein 2008: 250). In Fligstein’s estimate, they are overwhelmed by two much larger groups of citizens with either a ‘more shallow’ relationship to Europe (40-50 per cent) or virtually none (another 40-50 per cent). In turn the
paucity of ‘Europeans’ among EU citizens arguably makes popular support for the EU and the integration process contingent upon the evolution of the economic conjuncture and other short-term variables. As, in the post-Maastricht era, through the single currency, the EU has become increasingly associated with economic crisis and stagnation and austerity, this support has waned (Taylor 2008: 26-35). The growth of ‘anti-European’ or ‘Euro-sceptical’ political sentiment has opened up political space for the emergence and growth of national-populist parties opposed to European integration – that are now represented in the legislatures of a majority of EU member states and in some have the power to make or break governments (Spiegel Online 2011b). Given the growing political threat that these movements pose, it has become politically less feasible for traditional ‘pro-European’ parties to ignore the preferences that they represent. As national-populist parties are increasingly indispensable to government formation and increasingly participate in government, their capacity to influence member governments’ action at the European level is expanding.

At the same time as the balance of political power in many member states has tilted sharply towards ‘anti-European’ political forces, the capacity of governments to control the EU agenda in the member states – a pre-condition of the functioning of the process whereby the exigencies of economic interdependence are translated politically into integration-promoting decisions – has in any case been eroded. First, they have faced increasingly irresistible political pressures to legitimize major EU decisions – treaty changes – in popular referenda. This trend has made the fate of the EU and the integration process increasingly vulnerable to the shifting tides of public opinion. Second, as the Euro crisis illustrates, the capacity of national governments to implement the terms of EU accords against hostile domestic interests, opinion, protests and even strikes has been called increasingly into question. Thus, even before effects of the post-2008 financial crisis were fully felt and the Euro crisis developed, French president Sarkozy was already warning of the threat of a ‘pan-European May 1968’ with anti-government protests and violence breaking out among disaffected young people across the entire continent (Phillips 2008). Alone political elites’ fears of such a movement may act as a powerful constraint on governments’ capacity or willingness to make or implement concessions for the sake of ‘Europe’. Together these trends have produced a growing and increasingly acute tension between the requirements or logic of domestic politics, on the one hand, and those of the EU (which itself mediates the impact of economic interdependence and financial markets), on the other – a tension manifested in apparent Greek backsliding in respect of the implementation of austerity measures agreed to in return for financial aid as well as in uncertainty as to whether creditor states will live up to their aid pledges.

Since the introduction of the Euro at the end of the last century, the EU has thus entered hitherto unchartered territory. Whereas, in the era of the ‘permissive consensus’, European integration progressed akin to an army advancing across a flat wide plain, now the EU resembles one negotiating its path step by step across a treacherous, narrow, steep and winding mountain pass. As an increasingly ‘unpermissive dissensus’ has developed in the member states, the danger that it will fall off the one or other side has substantially increased. Integration theories that are based largely on the analysis of European integration before and immediately after the
end of the Cold War may underestimate the EU’s vulnerability and exaggerate its resilience in face of unprecedentedly hostile political and economic conjunctures.

The role of Germany as a semi-hegemonic EU power

Interspatial comparative analysis also casts doubt on whether European integration is as robust as neo-functionalist, transactionalist and liberal intergovernmentalist perspectives suggest. For Sweet Stone and Sandholtz and for Moravcsik II, growing levels of transnational exchange and growing economic interdependence respectively increasingly narrow the range of policy options open to member governments and constrain them to acquiesce in choices that bring about closer integration. Cross-regional comparison shows, however, that there is no close correspondence between levels of intra-regional trade and political integration. Thus, in 2008, intraregional trade accounted for 42.5 per cent of overall trade in East Asia (comprising the 10 member states of the Association of Southeast Asian Nations, China, Japan, South Korea and Taiwan) and 40 per cent in North America (Canada, Mexico and the US) – roughly two-thirds of the figure (64 per cent) for the 27-member EU (Hsiao, Wei, Hung, Shih and Chang 2009: 15). Trade between the 21 member states of APEC (Asia-Pacific Economic Cooperation) made up a slightly higher proportion of their overall trade than between the EU member states. Levels of trade policy and other forms of cooperation have actually grown in East Asia, North America and the Asia-Pacific region during the last decades, suggesting that growing levels of economic exchange and economic interdependence do indeed create pressures on governments to institutionalize their economic ties. However, levels of political integration in East Asia, the Asia-Pacific and North America are not even remotely comparable to those in Europe (see on East Asia, for example, Katzenstein 1997). Evidently the impact of growing levels of economic exchange and interdependence on political integration is mediated – and circumscribed – by other intervening variables. Europe’s political exceptionalism cannot therefore be attributed to an exceptionally densely integrated regional economy.

Rather than towards economic variables, comparative analysis of cross-regional variations in levels of political integration points towards the presence of a ‘benevolent leading country’ as the variable that more than any other explains Europe’s exceptionally high level of political integration (cf. Mattli 1999: 42). In his analysis of the conditions of ‘successful’ regional integration, defined as the ‘extent to which integration groups manage to match their stated integration goals’, Mattli identifies the presence of such a state as one of two key explanatory variables, as does also Cohen in his account of the conditions of survival of multinational monetary unions (Mattli 1999; Cohen 1998). The rare other ‘success stories’ of integration – the EFTA (European Free Trade Association) before it effectively became moribund with the accession of the UK to the EU in 1973, the NAFTA and the 19th century German Zollverein – would not have materialized in Mattli’s account without the support of their respective ‘leading’ member states, namely the UK, the US and Prussia. However, neither the UK while it belonged to EFTA nor the US in NAFTA aspired to create anything or much more than a free trade area, so that the ‘stated integration goals’ were in both cases much more limited
than those associated with the EU. What has made the EU exceptional in respect of regional political integration is neither an exceptionally high level of economic integration nor the presence of a ‘leading state’ as such, but rather the fact that, compared with other ‘leading’ regional powers, the member state that occupies this role in the EU – Germany – has pursued a much more radical agenda involving the creation of a quasi-federal European state.

In Mattli’s analysis, rooted in hegemonic stability theories of international relations, ‘benevolent leading’ regional powers perform two critical functions in respect of political integration. They serve first as a ‘focal point in the coordination of rules, regulations and policies’ and help, second, through the provision of financial aid, to ‘ease tensions that arise from the inequitable distribution of gains from integration’ (Mattli 1999: 42). In the EU, the Federal Republic has long played the role of ‘regional paymaster’, making by some margin the largest net contributions to the EU budget. These contributions were instrumental in financing the Common Agricultural Policy, which was a condition for French participation in European integration, and the EU’s regional policies, which poorer member states have regularly insisted upon as a condition for their acquiescence in policies of not only market liberalization, but also, as the Maastricht Treaty negotiations showed, monetary integration (Lange 1992). Germany contributed 27 per cent of the budget of the temporary and permanent bail-out funds created in 2010 and 2011 to avert a collapse of the Eurozone - if everybody ‘fell silent’ when Chancellor Merkel entered the room to discuss the crisis with fellow European Conservative leaders, this testified to Germany’s unique capacity to make or break the Euro (Rachman 2011). However, Germany has not provided a consistent ‘focal point’ for EU rules, regulations, and policies. Historically it typically preferred to defer to France on major issues. Although, particularly since the Eastern enlargement, it occupies a ‘central network position’ in EU bargaining processes (Naurin and Lindahl 2008: 73-77), EU policy choices do not disproportionately reflect German preferences. Compromise and consensus, not a German diklat, are the rules in EU decision-making (Achen 2006: 297; Schneider et al. 2006: 213). In as far as the EU guarantees German firms’ access to a large European market and protects Germany against the danger of diplomatic isolation, its very existence provides Germany with substantial economic and political advantages, which arguably far outweigh the cost of Berlin’s net contribution to the EU budget. As a regional paymaster, but not a disproportionately influential rule-maker, Germany may be characterized more accurately as a ‘semi-hegemonic’ than as a hegemonic power in the EU.

The EU’s heavy dependence on Germany’s financial strength makes the EU’s survival correspondingly contingent on German support for the integration process. Since the late 1990s, however, Germany’s traditionally strongly ‘pro-European’ stance has grown weaker and more ambivalent (Schieder 2011). Fanned by elements of the press, public opinion has become more divided and critical towards the EU and, on some issues, notably the ‘bailing-out’ of debtor states in the Eurozone, decidedly hostile. The federal states (Bundesländer) have likewise

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4 Hegemonic stability theory was conceived by the economic historian, Charles Kindleberger, who argued in his study of the Great Depression (Kindleberger 1973) that the existence of a dominant power is the necessary condition of maintaining an open and stable world economy.
become more resistant to the transfer of further policy-making competences to Brussels. Although the Federal Constitutional Court (*Bundesverfassungsgericht*) has not declared any of the recent European treaties as incompatible with the German Basic Law, its judgments appear to circumscribe the extent to which further powers may be transferred from the national to the European level. ‘Anti-European’ or ‘Euro-sceptical’ currents have gained ground and are visible in several political parties, notably the Bavarian CSU (Christian Social Union), FDP (Free Democratic Party) and the Left Party (Schieder 2011). Reflecting generational changes in the German political elite, political leaders’ discourse about Europe has become less idealistic and more interest-based (Paterson 2011; Bulmer and Paterson 2010 and 2011; Becker and Maurer 2009).

Still, however, no fundamental paradigm change has occurred in German European policy. When the German interior minister warned other member states in the early phase of the Euro crisis that Germany was going to defend its national interests vigorously and ‘act just as other European countries do in Brussels’, he took care to add: ‘this will not make it automatically anti-European’ (*Financial Times* 2010). The political pressure on the governing centre-right coalition to make a fundamental shift in its European policy orientation is considerably weaker than in many other member states. There is still no significant anti-European, national-populist political force in Germany and the principal opposition parties, the SPD (Social Democratic Party) and, even more so, the Greens remain resolutely pro-European. In their discourse, government and opposition leaders alike acknowledge that Germany still has strong economic and geopolitical interests in supporting European integration, relating to the Germany’s strong economic dependence on exports to European markets and its political dependence on the EU to assuage fears of German domination among neighbouring states and pre-empt Germany’s possible diplomatic isolation. If the next German federal government, as seems probable, is a ‘red-green’ coalition, it will likely be more ‘pro-European’ than the existing coalition. This makes a fundamental re-orientation of German European policy in the next several years unlikely. But a ‘red-green’ government may be confronted by an increasingly Euro-sceptical centre-right opposition that, if and when it returns to office in Berlin, could feel constrained by domestic electoral calculations to adopt a significantly more confrontational stance towards the EU and European integration. This temptation might grow even stronger if, as seems likely, German prosperity should become gradually less dependent on exports to other European economies and more dependent on those to Asia, thus eroding one of the two pillars underpinning German ‘pro-Europeanism’ (Ewing and Dempsey 2011).

German support is thus a necessary condition of the continuation of European integration. But Germany is (no more than) a ‘semi-hegemon’ in the EU also in the sense that its engagement in this process cannot alone suffice to keep it on the rails. Accounting for one-fifth of EU GDP and 27 per cent of that of the Eurozone, Germany does not dominate the European region economically to the same extent as many other putative regional hegemons – for example, the US in North America or Russia in the CIS or India in South Asia - do theirs. Alone it does not have the financial capacity required to rescue the Eurozone’s debtor states or to function as the EU’s exclusive paymaster. These tasks can be managed only by broader coalitions involving
member states whose governments may be more tightly constrained by the increasingly ‘unpermissive dissensus’ on EU issues than the German. As France and Germany combined make up almost half of the Eurozone economy, French financial participation is particularly crucial to the management of the Euro crisis. In as far as financial aid for Eurozone debtor states has been politically less contested in France than in Germany, there is no immediate or short-term danger that Germany will not find enough strong partners to try to manage this crisis. However, long-term French support for European integration can no more be taken for granted than the German, least of all if in future there should be some kind of practical-political and ideological rapprochement between the mainstream and extreme Right as a consequence of the growth and evolution of the National Front.

4. Conclusion

‘The spillover process is far from automatic … It depends on the continued division of Germany and the tacit recognition of that status in the minds of West German leaders’ (Haas, quoted in Keohane and Hoffmann 1990: 248).

It is impossible to envisage exactly how the EU might disintegrate, save to say that such a process, should it occur, would very likely begin with a – partial or complete – disintegration of the Eurozone. It is unlikely, however, that the EU could withstand a significant period of substantially reduced German – especially financial – commitment to European integration. No paradigm change has yet occurred in German European policy, nor is one imminent. But it is not inconceivable that such a change will occur within the next decade. More likely on balance is the materialization of some ‘middle-way’ scenario between the current practice in which the German government reluctantly acquiesces in a series of incremental steps leading to closer integration, on the one hand, and a much more confrontational German stance towards the EU, a kind of ‘Britishization’ of Berlin’s European policy, on the other. This scenario could exhibit some of the following traits. First, as a price for continuing financial support for Eurozone debtor states, Germany will likely insist increasingly strongly that the Eurozone is managed according to its priorities. Germany will thus become a more ‘normal’ regional hegemon, becoming – in Mattli’s terms - a more assertive policy-maker in addition to being regional paymaster. Second, to maximize the likelihood that the Euro crisis is managed in a way compatible with Germany’s preferences, the German government will aim to restrict the creation and autonomy of supranational organs in favour of more intergovernmental decision-making to preserve a veto over key future decisions. Such a shift is foreshadowed in Chancellor Merkel’s championing of a so-called ‘union method’ of decision-making in which the member governments and the Council would play a stronger – and supranational organs such as the European Commission a less central - role than in the traditional ‘community method’ as well as in the architecture of the EFSF (European Financial Stability Facility) and its successor, the ESM (European Stability Mechanism) (Merkel 2010). Third, concluding that the Eurozone in its present constellation is unworkable and the enlarged EU is too unwieldy and prone to policy-making paralysis, Germany
might start to promote differentiated forms of integration more vigorously than hitherto, culminating in the emergence of a reconfigured, less monolithic and less cohesive EU than presently exists. In respect of the Eurozone, such projects were already on the table, although they had not yet received any official blessing (Henkel 2010; Scharpf 2010). In the absence of an issue-area-overarching coordination of such projects by strong central organs, such a trend would more likely lead to a Europe à la carte than to the development of a more ‘federal’ Europe built on a Franco-German ‘hard core’ that was once advocated by ‘pro-European’ German political leaders (Schäuble and Lamers 1994; Fischer 2000). Finally, to the extent that the German government tries to bolster its influence over EU policy, resentment towards Germany may rise in other member states, risking the re-opening of the ‘German Question’ that European integration was originally conceived to settle (Guillebaud 2011).

Historical-institutionalist, liberal intergovernmentalist and neo-functionalist-cum-transactionalist theories of European integration posit that the cooperation between EU member states is meanwhile so highly institutionalized and the ties of economic interdependence that bind them together are so strong that the EU cannot or can hardly disintegrate. My modified hegemonic-stability-based interpretation – which has affinities with the IR institutionalist and classical intergovernmentalist theories discussed above - is not that European integration is bound to or will fail nor indeed that this is the most probable outcome. It is rather that the survival of the EU as we know it and the continuation of the integration process depend on the commitment and engagement of Germany, which is still available, but which no longer looks as certain as it was before the end of the Cold War and Germany’s division. This is at any rate a less pessimistic position than that of the original neo-functionalist Haas, in whose view the re-unification of Germany was by itself destined to put an end to European integration.

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