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### A Time of Turmoil

IT WAS A SUNNY MORNING in the last week of September in Chapel Hill. A student in my freshman seminar stopped me mid-sentence. What was the meaning of the financial bailout? Should we brace for depression? For the next 45 minutes I had an impromptu discussion with 21 deeply concerned young adults. I never got back to my lecture. Not since 9/11 had I seen deeper doubt in student eyes. I must confess that while my analysis might have been detached, it was overly reassuring. Suppressing my darkest fears I proposed that we had a very good chance of meeting this challenge—and would certainly do better than Hoover – or even Roosevelt. We had something these leaders lacked: international governance. There is much greater institutional capacity—and practical experience—among central banks and governments in coordinating policy. Joint and timely action can beat back the dark shadows. Yes it can.

Then came “the week that panic stalked the market” (Financial Times, 10/10/08), with the Dow suffering its worst weekly drop ever (18 percent), banking paralyzed, and the drama watched with blank astonishment by uncoordinated governments. My optimism sounded increasingly like wishful thinking. Three student presentations on the financial turmoil and two on its transformative effect on the US presidential elections later, a student remarked, “we college students usually live in a bubble of know-nothing-care-little—no more.” Seventeen of 21 students had called home to ask their parents’ advice. In the early hours of October 13, European governments announced a coordinated \$2.4 trillion rescue package which stabilized the financial markets, refocused my EU seminar, and restored some credibility to my argument.

Seismic events have a way of throwing up facts that generate – or sink – theories. It is too early to see how this will pan out, but one can speculate about the likely targets of intellectual discomfort – or innovation. With Anglo-American neoliberal capitalism in disarray the debate on political economy is shifting from whether to how governments should regulate markets. If one takes at face value the admonishments of Peer Steinbrück or Paul Krugman and the mea culpa of Alan Greenspan—that minimizing market regulation was wrong-headed—the western world, including the United States, is moving towards regulated capitalism. Perhaps the contrast between coordinated and liberal market varieties of capitalism will be diffused, as in the response

to the Great Depression. Recent research on competition between national capitalisms within an overarching EU framework had already begun to refine varieties of capitalism, but are we witnessing convergence to one type, the emergence of a hybrid, or the reconfiguration of institutional complementarities along novel lines?

More fundamentally, the crisis has shaken belief in our capacity to predict social phenomena. In a recent PBS broadcast, the mathematician Benoît Mandelbrot, student of chaos theory and fractal geometry, attributed the meltdown to a failure among economic agents and policy makers to face up to the fundamental unpredictability of the global economy. Globalization is commonly understood as referring to increased velocity and density of transnational interaction, but Mandelbrot emphasized a consequence: interdependence alters, and vastly complicates, causality by creating the potential for small events to have massive, destabilizing, consequences.

Closer to home, the coordinated European rescue effort may be seen as a vindication of both inter-governmentalism and supranationalism. Sarkozy and Brown, in matching superman suits, give credence to the former, and the prominent roles of the ECB, the Commission and Eurozone institutions to the latter. Perhaps the most surprising feature of European crisis management is that Europe was capable of taking bold joint action at all. Fragmented institutions, dispersed power and an EU-skeptical post-Lisbon mood seemed to structure incentives towards unilateralism and inaction. But Europeans could exploit a resource that was in short supply in the US: a willingness to perceive government as a solution and not merely as the problem. The belief that markets should be left to police themselves has never achieved much traction in Europe. Europeans were predisposed to reconsider Keynesian activism.

In EUSA news, paper submission to EUSA’s next conference in Marina del Rey, California, is now closed. EUSA received about 300 paper submissions and 100 panel proposals. This is about the same as the submissions for the 2007 Montreal conference. We are introducing a new feature – the workshop format – to allow us to accommodate more participants without increasing the number of parallel panels and without intensifying audience competition. You will be notified per email about the outcome by December 15, 2008.

Now is the time to consider taking out an institutional membership option, which allows you to offer your graduate students attractive conference conditions. We also invite you to support our drive to replenish the E.B. Haas Memorial Fund for EU studies, which finances summer pre-doctoral fellowships.

EUSA welcomes three new European Union Centers for Excellence in the US: the University of California at Berkeley, the University of Colorado, and Georgia Tech. Congratulations! The news about the awards was announced by the Delegation of the European



Commission in Washington, D.C., in October. Eleven European Union Center of Excellence grant recipients were selected from a field of 23 candidates. The three newcomers join eight Centers that were successful in renewing their grant: Florida International & Miami, Michigan-Ann Arbor, North Carolina-Chapel Hill, Pittsburgh, Texas-A&M, Washington-Seattle, Wisconsin-Madison, and the Washington D.C. Consortium (American, George Mason, George Washington, Georgetown, Johns Hopkins). North Carolina will continue to serve as Network and Outreach Coordinator, and maintain the common network website at <http://www.euce.org>.

**Liesbet Hooghe, UNC Chapel Hill and VU Amsterdam**

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### **Ernst Haas Memorial Fund Drive**

EUSA is announcing a drive to raise \$10,000 for the Ernst Haas Memorial Fund for EU studies, which funds summer pre-doctoral fellowships. Donors will be honored at the Friends of EUSA Reception at the Marina del Rey EUSA conference, Saturday, April 25 2009. Be there to receive recognition!

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### Ireland's Rejection of the Lisbon Treaty and the EU's Impasse

THE EU INSTITUTIONS TODAY find themselves in a deep impasse. At the root of the impasse lies the fact that these institutions are built on diplomatic treaties. Modifying their main rules requires new treaties, ratification of which requires domestic referendums in some of the 27 EU countries (and creates the option of referendums in most of the others). But getting even modest institutional reforms past a gauntlet of national referendums has proved more and more difficult. The not-very-earthshaking reforms originally proposed in the Constitutional Treaty in 2004—some streamlining of decision-making rules, some strengthening of foreign-policy mechanisms, and a smattering of other fixes—have been rejected in two separate rounds of referendums. Strong No votes in France and the Netherlands brought the Constitutional Treaty crashing down in summer 2005. Though the subsequent repackaging of the same reforms in the Lisbon Treaty testified to their broad support across European elites, another clear No in Ireland this year left these measures in limbo. Since the Lisbon Treaty was already “plan B”—and since the Irish resent having been asked to re-vote on the previous round of EU reforms, after they rejected the Nice Treaty in 2001—it is now hard to see any path to treaty reform at all.

This Forum's essays dissect the problems that generated this impasse, and begin to look at solutions. They proceed roughly in order of increasing abstraction. Christopher Bickerton (Oxford University) concretely breaks down the reasons for the victory of the No in Ireland. Andrew Glencross (European University Institute) then provides a more comparative discussion of Irish opposition relative to that in France in 2005, noting their many common themes. Renaud Dehousse (Sciences Po) argues still more broadly that the technical, elite nature of the EU institutions and their widening membership have made it simply impossible to maneuver EU reform past national ratifications. Vivien Schmidt (Boston University) draws out an implication for policy: what she calls a “menu Europe.” She suggests that it is time for the EU to recognize that a uniform status of membership is no longer workable, and to move toward more flexible “menus” of participation. Gary Marks (UNC Chapel Hill) draws out overarching implications for European democracy. The problem, he argues, is not just that 27 ratification processes make forward movement impos-

sible, but that referendums per se are flawed instruments of democracy and are especially problematic in the EU context. They polarize complex politics into single dichotomies. Not only does this make it difficult to work out cross-issue compromises and trade-offs, which Marks sees as the heart of “the art of politics” and which are central to the functioning of the EU, but it brings polarization without clear choice. As the preceding essays show, people end up on either side of EU referendums for many unrelated reasons, so even a clear aggregate result has few clear democratic implications. For Marks, this means the EU must look to stronger channels of representative democracy, not referendum-style direct democracy, for legitimation and participation. But how this recommendation fits with a more discontinuous “menu Europe” is far from clear...

**Craig Parsons**  
EUSA Review Editor

**Ireland Votes No**  
Chris J. Bickerton

ON THE 13TH OF JUNE, 2008, the Irish voted on the Treaty of Lisbon. Agreed upon by member states in late 2007, this “mini-treaty” was what EU leaders had managed to salvage from the draft Constitution after the No votes in France and Holland in 2005.

Ireland is the only country so far to have had a referendum on this treaty. 53.4% of the votes were against the treaty, 46.6% were in favour. Of the 27 member states, 23 have now ratified the treaty and more will follow. The victory of the No vote in principle leaves the treaty null and void since all member states must ratify it if it is to come into effect in January 2009 as planned. On the back of the Irish vote, the Czech government decided to subject the Treaty of Lisbon to a decision by its supreme court (Economist 2008).<sup>1</sup>

Some EU leaders have argued that ratification should continue regardless and that a compromise can be made with Ireland to ensure a favourable outcome in a second vote. An alternative would be to abandon the treaty altogether and to implement some aspects of it without tying everything together into a single treaty. It is conceivable that if the Irish vote No a second time they will be asked to leave the EU, though this is not a position any member state will defend publicly. A second Irish No would probably bring down Prime Minister Brian Cowen's government. It would certainly raise more questions about the EU's strained relations with its own citizens.

One of the leading architects of the “mini-treaty” was French President Nicolas Sarkozy. The No vote



disrupted the beginning of a much-hyped French presidency of the EU. However, since then it has elevated President Sarkozy to the position of “crisis manager in chief.” Sarkozy travelled to Ireland on July 21, promising to listen to the Irish. His visit provoked angry reactions after he reportedly said that Ireland would have to vote a second time, pre-empting what should be a decision for the Irish government.

### **The No campaigners**

The No campaign in Ireland was similar in some ways to the French No campaign in 2005. It was made up of disparate groups and interests, which spanned the political right and left. The vast majority of the Irish establishment was on the side of the Yes campaign, as in France in 2005 (Halimi 2005). However, in the three years since France rejected the Constitutional Treaty, the politics of opposition to the EU has evolved (Marks & Steenbergen 2004).

One of the main groups leading the No vote was Libertas, a campaign group founded by Declan Ganely, an Irish millionaire businessman. The group was originally set up in opposition to the regulation and red-tape ostensibly coming from Brussels, and turned against the Lisbon Treaty in recent months. Its campaign focus was on the loss of Irish influence in EU decision-making, the undemocratic nature of the EU, and the threat of tax harmonisation. Ireland has a 12.5% corporation tax—one of the lowest in Europe—which many view as essential for Irish economic growth.

Libertas combined free market and pro-business rhetoric with a nationalist defence of Irish interests against the encroachments of the EU bureaucracy. Given the extent of Ireland’s economic ties with the rest of the EU, Ganely cut a lonely figure as much of the business establishment was on the Yes side.

Many other groups in the No campaign shared Libertas’ nationalist rhetoric. Sinn Féin combined a welfarist economic agenda—at odds with Ganely’s anti-regulatory zeal—with the same nationalist sentiment. On the economy the EU was viewed as a malign force for deregulation, particularly in the area of workers’ rights. With the slogan “Ireland deserves better,” Sinn Féin highlighted Ireland’s waning influence in EU decision-making. Sinn Féin also played up the dangers the treaty posed for Irish neutrality, suggesting that the Lisbon Treaty would draw Ireland into the EU’s common security and defence structures.

Alongside these groups, many other issues and interests were raised. Irish farmers raised concerns about the EU’s position on trade issues at the World Trade Organization, issuing warnings to the EU’s trade Commissioner, Peter Mandelson. Devout Irish Catholics argued that the EU rep-

resented a threat to Ireland’s anti-abortion laws.

### **A new disenchantment**

If the No campaign was so full of contradictions, how can we explain its success? One important factor lies outside of the No camp itself. What secured the result was more than simply the mobilization of anti-abortion Catholics, free market zealots, anti-war leftists and old school Republican nationalists. In fact, according to polls, only six percent of the No vote was made up those who wanted to protect the Irish tax system; and only two percent voted No because a fear of what EU legislation might mean for issues like abortion and gay marriage (Flash Eurobarometer 2008).

Crucial to understanding the 2008 vote was the mobilization of a new anti-EU constituency: the hitherto politically apathetic, who this time felt that their lack of understanding of the Treaty was a sufficient reason to vote No. The message of the Yes camp had effectively been, “trust us, the Treaty is complicated but we know it is in your best interest.” It was this claim to expertise which was rejected by twenty-two percent of those who voted No due to a lack of information, by far the most popular reason given for voting against the treaty. It is also significant that sixty-five percent of 18 to 24 year olds voted No. The referendum seems to have expressed a new disenchantment with the kind of politics that asks of voters mere acquiescence with whatever the political elites say is the best way forward (Bickerton 2008)

### **Ireland against the rest**

Another element explains the success of the No campaign: diverse themes were united under the common banner of defending Ireland’s interests against those of more powerful EU member states and of the Brussels bureaucracy itself. A David-versus-Goliath theme emerged, evident in the popular No slogan of “Don’t Be Bullied.” Twelve percent of the No voters said they voted No in order to protect Irish identity within Europe; six percent were concerned about Ireland’s neutrality; six percent were afraid of losing an Irish European Commissioner; and three percent were afraid that small states would be left worse off with the new Treaty. This nationalist concern gave the No campaign a coherence and resonance which it would otherwise have lacked.

### **Which No?**

These two forces behind the No vote need to be distinguished from one another. The lack of trust evident in many people’s decision to vote No reflected the state of the relationship between Irish citizens and their



own political establishment. Above all, it represented a challenge to the expertise-driven rhetoric of European integration and to the legitimacy of the Irish government.

The nationalist impulse, on the contrary, was not a challenge to Cowen's government; it united Ireland in the struggle against other powerful EU member states and the Brussels-based institutions. An internal political battle was transformed into a battle between states and between Ireland and the EU.

Which No prevails over time will have important consequences for European politics. Underlying the attack on the politics of expertise is a strong democratic sentiment which rejects elitism in the name of popular self-determination. Promoting Irish interests against those of other EU member states will only blur the lines of political conflict, pitting European peoples up against each other instead of uniting them in opposition to their own elites. European integration, after all, is not something that is "out there" in Brussels; it has become a continuation of domestic politics and should be understood as such.

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### Notes

<sup>1</sup> It is expected that the Treaty will not be considered a challenge to the Czech constitution when the court gives its decision, due before the end of the year.

<sup>2</sup> For three accounts of European integration as a constitutive feature of domestic politics, see Heartfield (2006), Bartolini (2005) and Schmidt (2005).

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### The Travails of Justifying Integration in Referendum Campaigns

Andrew Glencross

MUCH HAS BEEN MADE of the complex structural nature of the EU that appears to fate European government to be for the people rather than by the people (Schmidt 2004). This complaint about the entrenched democratic deficit implies there is an institutional remedy: strengthening the Parliament vis-à-vis the Council, enhancing EU competences to ensure greater public and party interest in EP elections, and stimulating the development of transnational political participation. However, another interpretation of the current malaise of integration, which has left EU citizens feeling so disempowered in the face of EU governance (Mair 2007), suggests that this situation is the result of a problem of justification as much as of democratic legitimation (Morgan 2005). According to this logic, the EU "is less in need of an institutional than a justificatory fix" (Ibid, 4). With the demise of the permissive consensus in favor of elite-driven integration, democratization is not a sufficient condition of EU legitimacy: citizens also need to be persuaded of the merits of continued integration. Yet as the recent referendum campaigns in Ireland and France illustrate, national political elites find it very difficult to live up to this task. This paucity of persuasive public justifications for further integration is another—but less noted—component of the phenomenon of "depoliticization" associated with non-majoritarian governance (Mair 2007).

In Ireland, the 2008 campaign against ratification of the Lisbon Treaty was led by Sinn Féin alongside a coalition of minor and even ad hoc parties. The opposition camp had two principal arguments: objection to the weakening of Irish power (the result of the loss of a permanent commissioner and fewer national vetoes) and preventing "the militarization of the EU." The latter targeted the treaty's provisions for beefing up cooperation on foreign and security policy, seen as the death knell for neutrality by requiring Irish contingents for supposedly dubious EU humanitarian interventions.

Supporters of the Lisbon Treaty, a group including all the main parties except Sinn Féin, were slow to respond directly to these claims. Rather, they resort-



ed to the stalwart justification of securing economic prosperity and also tried to establish positive historical precedents for Irish peacekeeping efforts. The primary objective, when engaging with the arguments of the No camp, was thus to convince voters that changes to the status quo were not deleterious to Irish influence and neutrality. This justificatory strategy sat awkwardly with two important contextual elements of the debate. Firstly, it was difficult to maintain that the treaty changes were so trifling when it was well known that the document was essentially the Constitutional Treaty redux. Likewise, this argument also appeared in contradiction with the grander claim that the new treaty would finally help reduce the democratic deficit.

The logic of the 2005 French Yes campaign for the Constitutional Treaty was beset by similar justificatory problems. Public debate in France was peculiarly fixated on “liberalism”: a pejorative, scare-mongering term conjuring an image of unfettered Dickensian capitalism. Other issues (political finality, institutional reform, the Charter of Fundamental Rights or foreign policy) were marginalized (Ivaldi 2006). Jacques Chirac, de facto leader of the Yes camp, was placed on the back foot by claims that the treaty would undermine French social welfare. In fighting back, his central justification of the Constitutional Treaty invariably related to social justice—a startling move given this subject did not figure in the objectives he had set the Constitutional Convention (Jabko 2005), the body tasked with an open-ended mandate to revise the existing treaty system.

Chirac’s justificatory strategy was as ambiguous as that used to support the Lisbon Treaty in Ireland. At times the constitution was presented as a way of exporting the French “social model” to the rest of the EU, thereby establishing a common European social model. In a primetime television debate he referred to the treaty as “the daughter of 1789.” But he also stressed the existence of certain safeguards (the clauses on “services of general economic interest”) that would allow for the preservation of the French social model from attack by Anglo-Saxon neo-liberalism. Hence the Irish and French Yes campaigns were founded on equally precarious justifications. The former tried to present the Lisbon Treaty as inconsequential for the strength of Ireland’s voice in Europe yet a great leap forward in democracy. The latter offered a vision of the Constitutional Treaty as simultaneously protecting France’s supposedly unique public services whilst spreading its social model.

Tellingly, the notion of political finality—which following Joschka Fischer’s speech in 2000 became central to the debate over an EU constitution—was rarely broached during these referendum campaigns. Supporters of treaty reform in Ireland and France consequently failed to justify the integration project en-

shrined in a particular treaty vis-à-vis alternative forms of European governance. Notably, little attempt has been made during referendum moments to explain the merits of the current EU system in comparison with a confederal Europe of nations or a fully federal state.

This failure to justify persuasively the present—let alone future—outcome of integration, something midway between confederation and federal state, is undoubtedly related to the continued confusion surrounding what stage of integration has already been reached (Morgan 2005: 29). Of course, such difficulties constitute grist to the mill for those who doubt the appropriateness of holding popular votes on treaty ratification. However, this would be to overlook the more significant fact that such justificatory problems are an integral part of the cost of constructing a polity without politics.

Depoliticization, as Peter Mair (2007) has explained, is best understood as the process of losing voice—the necessary means for controlling government. Diminished opportunities for voicing opposition explain the odd bedfellows seen in the Irish and French No campaigns: pacifists, nationalists and partly foreign-funded libertarians in the former, socialists and greens (defying the party line) alongside the extreme right in the latter. The antagonism towards treaty ratification was mutual but the arguments deployed against a common enemy were vastly different. In other words, the Yes camp in both France and Ireland was not alone in putting out a mixed message.

Treaty ratification was defeated through an alliance of opponents of EU policies—those preferring greater or lesser intervention in the market—and opponents of the principle of further integration. The challenge for national elites, therefore, is less to shelve the referendum option than to take up the mantle of nurturing constructive political opposition. Chiefly, this entails finding a way of channeling the cleavage over EU policies away from the cleavage over EU integration per se. Although it is not at all clear that such a feat is manageable (Hix and Bartolini 2006), the justificatory strategy adopted during future referendums is likely to be a crucial device in any such endeavor. In particular, elites supporting treaty reform will have to spend more time explaining what level of integration has currently been reached as well as what substantive policy objectives can only be pursued through further institutional reform. Above all, this means resisting the temptation to expound justificatory arguments that barely correspond with the content of treaty reform or that take the form of hackneyed promises—mixed with thinly-veiled threats—about securing prosperity.

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## One No Too Many Renaud Dehousse

THE IRISH REFERENDUM on the Lisbon Treaty has placed European leaders in a very difficult situation. Unless Europe decides to thoroughly re-examine the pact which is uniting Europeans, it will soon come up against new barriers. At this point, the crisis is too deep: patching it up will not work.

First, this referendum confirms that Europe is suffering from a social fracture. Once again, a plan broadly supported by the elites (political forces representing 90% of the elected members of Parliament) was just as clearly rejected by disadvantaged population groups. The breakdown of the "No" votes also revealed a cleavage between urban and rural areas similar to that which existed in France in 2005. As confirmed in September by a poll commissioned by the Irish government, the No was at its highest among blue-collar workers. The message is still the same: the rapid changes we are seeing in the European economy and society are creating manifold concerns.

This phenomenon is all the more remarkable in that it is occurring in a country which, having profited immensely from the expansion of international trade and from its thirty-five-year membership in the Euro-

pean Union, has experienced very strong growth in the last fifteen years. The vote's outcome can no doubt be partially attributed to situational factors—a slowdown in growth and an unpopular government. Once again, we are encountering the "cocktail" components experienced in France and the Netherlands in 2005, but it would be ill-advised to ignore the ballot's message. Those who believe that socio-economic changes are threatening their way of life are anxiously watching the emergence of a European integration project the sense of which they cannot grasp. How could it be otherwise, inasmuch as the leaders of the 27 Member States cannot agree on either the primary "finalité" of the process—the setting-up of a continental market or a political actor—or even on its geographical boundaries? The same message had been powerfully expressed not only in France—as has too often been said—but in all countries in which a plebiscite has been held on the draft EU Constitutional Treaty. Yet what has been done to address these concerns?

Secondly, the referendum instrument has once again demonstrated its limitations. It would certainly be hard to imagine a more unsuitable document to foster dialogue than the Lisbon Treaty. There is nothing surprising about that, inasmuch as it had been specifically designed to amend existing treaties in order to bypass the need for a plebiscite. Yet the problem extends far beyond the style and wording of the document in question. The referendum is predicated on the premise that a simple response can be made to the question asked. When the latter is an open-ended question—"What sort of Europe do you want?"—and, what is more, no clear response is suggested, it would take a miracle for it to produce a positive result. Asking a binary question about such a complex document will infallibly generate a profusion of doubts and objections. And given the binary nature of the consultation process, even radically contradictory objections may result in a similar negative response.

To the French campaign's flagship slogan, "We all have a reason to vote no," the dominant theme of the Irish referendum has provided a kind of echo: "I don't understand, so I vote no." The misunderstanding of what was at stake in the referendum was one of the main reasons advanced to explain negative results in all the polls. A total of 42 per cent of those who voted No cited this as the main reason, according to a poll carried out by Millward Brown in the last week of July, and 90% of voters who regarded themselves as inadequately informed ultimately decided to vote "No." We need to drop the simplistic idea that a debate on a document this complex will bring voters the clarifications they are seeking. In the Irish case, government-commissioned research found that a third of people



thought that conscription into a European army and an end to Ireland's abortion ban were part of the Lisbon Treaty, while over forty per cent believed it would force the country to do away with its low corporate tax rate. This high degree of misinformation is all the more remarkable given the intensity of the campaign and the high turn-out; it is hard to describe as the result of indifference or apathy. Even if such a debate were held on a European level, the issue would not fundamentally change. Other ways of involving citizens in European decision-making must be envisaged.

Third, the deadlock in which Europe now finds itself shows that it has reached the limits of the reforms which could be successfully implemented within the current system's framework. It has been known for a long time that unanimity is paralyzing or at least leads to sub-optimal outcomes when a large number of actors are involved. That is the very reason why people have renounced the idea that it can be achieved in many areas in which the Europeans are committed to act together. After Maastricht, Nice and the Constitutional Treaty, the Lisbon Treaty is the fourth project to come up against a veto within a fifteen-year period. This particular one will be hard to circumvent, not only because it is the outcome of a referendum, but also because Ireland has already had to carry out a second referendum immediately after its negative vote on the Treaty of Nice. Unlike the 2001 elections, the latter did not take place in a climate of indifference: voter participation was much higher than in previous turnouts. The proportion of the electorate casting a negative vote was higher (28%) than during the 2001 vote. Even if we could discern the reasons for the "No" by reading tea leaves—an arduous task, inasmuch as such reasons inevitably vary in this type of consultation—it would be difficult to induce citizens to express an opinion on a treaty which would merely be subjected to cosmetic changes.

So far, the official response to the crisis triggered by the Irish vote has been to say that the ratification process was to go on, in order to make it clear to the Irish that they are isolated. This puts both the Czech Republic and Sweden, who still have not ratified, in a delicate situation, since both countries are due to hold the Presidency of the EU in 2009, and may want to appear as faithful members of the club, so as to maximise their influence therein. Assuming this works, the Irish would be confronted with a clear choice: either accept the Lisbon Treaty in exchange of formal declarations confirming it does not threaten their neutrality or their ability to ban abortion, or gracefully pull out of the EU in order not to prevent the other member countries from implementing the changes they willy-nilly approved.

This scenario, which still appears realistic at the time

of writing, represents a way around the difficulty rather than a solution proper. The current deadlock should encourage European leaders to face reality. Insisting on a unanimous agreement to bring about changes to the treaties is tantamount to rewarding those who refuse to accept change for any reason whatsoever. You cannot at the same time argue that it is essential to maintain an unanimity requirement and be offended that a few thousand inhabitants of a small country may succeed in frustrating the will of the majority. And to consult the people until they give the answer the elites want hear is but a pale caricature of democracy.

The real challenge is not to find some clever device to exert pressure on the Irish, but rather to accept what has now become obvious: the unanimity required to amend the treaties makes reform near impossible. Negotiations on the changes to be made in order to enable the Union to digest the Eastern enlargement started in the run-up to the Amsterdam Treaty, back in 1996. More than a decade later, the fate of the reform package remains highly uncertain. There would be much to be said both on the substance and on the process. But one thing is clear: the long shadow of unanimity has been the source of endless problems, from the bitter bickering of the Nice European Council to the façade deliberations of the European Convention on institutional matters. The messy situation created by successive referenda is a mere confirmation. What could make sense in a community of six members has become a major stumbling block in a Union of 27 and more. But in all likelihood, it will take some time before national governments come to accept it.

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### **“Menu” Europe: Re-inventing the EU after the Irish No**

Vivien A. Schmidt

THE EU CAN'T GO ON LIKE THIS. Whether the Lisbon Treaty ultimately succeeds or fails, the Irish referendum will have taught us one thing: unanimity and uniformity are things of the past. The EU is now too diverse to expect all member-states of the EU to ratify any given treaty or to participate in all areas of EU activity.

### **The Problem: Competing Visions of Europe**

Member-states have competing visions of the EU, and are increasingly divided over what they would be willing to sign up to. Is the EU to be mainly an ever-enlarging, borderless free market and security zone run by intergovernmental decision-making—as the



British, the Scandinavians, and many of the Central and Eastern European countries would have it? Is it instead to be more of a values-based community with ever-deepening politics and economics and identifiable borders stopping before Turkey, Georgia and the Ukraine—as Germany, France, Austria, and many other Continental European countries would like? Should it rather be a borderless rights-based union open to all democratizing countries on its borders and increasingly democratic in its decision-making—as the Commission, human rights groups, and philosophers like Habermas hope? And can it also be a global strategic actor promoting democracy, free markets, community values, and human rights around the world through its “normative” power, whatever its borders—as EU and national leaders have been proposing?

The EU branding process was right to replace “ever closer union” with “unity in diversity.” But that unity is itself again in question. The Irish No, by stopping the institutional compromise of the Reform Treaty, risks reopening the debate about what the EU should be at a time when what the EU needs is to open the debate about what the EU should do. Policies, not institutions, must be the focus of the day if the EU is to move forward. But whatever happens with regard to the Lisbon Treaty, it will not solve the underlying problem. This is: How to accommodate member-states’ differing visions of the EU?

### **The Solution: Give Up Unanimity and Uniformity**

There is one way: give up unanimity and uniformity. This is easier to do than one might think, since the EU has already breached the principle of unanimity in the wide range of areas covered by qualified majority voting. And it has already given up on uniformity in areas other than the Single Market. Thus, the UK and Denmark have opt-outs from the Maastricht Treaty. Schengen includes non-members like Iceland, Norway, and shortly even Switzerland while members like UK and Ireland remain out, as do Bulgaria and Romania temporarily. Denmark is not a member of the European Security and Defense Policy. The Eurozone encompasses 15 of the EU 27. Freedom of movement of workers excludes Romania and Bulgaria for six more years. The Lisbon Treaty would exempt Britain and Poland from the Charter of Fundamental Rights.

The member-states themselves also acknowledged the impossibility of a unanimously agreed, uniform future by introducing the principles of deeper cooperation among select groups of member-states in successive treaties since the Amsterdam Treaty. The Lisbon Treaty makes these workable for two or more countries with “permanent structured cooperation” for defense and security policy

and “enhanced cooperation” for any nine or more.

The push toward uniformity through unanimity was absolutely necessary in the early years of the EU to create a common set of policies in a free market, a sense of community with common standards and shared values, respect for human rights, and a global actor. But the unanimity rule, begun by a union of six nation-states, now stops the treaty process dead in its tracks while the uniformity ideal, the product of a Commission dreaming of a federal state, chokes off differentiated integration. Neither is necessary today. Rather, we would do better to have opt-outs in place of vetoes as the *modus operandi* for EU “treaties” (to stretch the concept) and to see differentiated integration as a virtue rather than a vice. If the EU were to officially recognize differentiated integration for its member-states, and to abandon the unanimity rule, it could solve a number of its institutional problems.

Without the unanimity rule, member-states could agree through qualified majority voting on the big policy issues to pursue, with the occasional negotiated opt-outs for those members with legitimate reservations about participation in a given area. Exit through opt-out would help avoid the dead-ends on policies to which only one or two member-states object and/or their dilution in the search for compromise. In areas where such qualified majority voting does not work but enhanced cooperation might, member-states could pursue deeper integration.

Moreover, for prospective members in the EU’s periphery, membership need no longer be a question of “in” or “out” but rather of “in which areas” or “out of which areas.” Accession would therefore become a gradual process for bordering countries, policy area by policy area, once certain initial conditions were met related to democratic practices, respect for human rights, and internal market reforms. It would help avoid the “big bang” of accession (or rejection) after long years of hard-bargaining, provide on-going socialization into the EU’s consensual policymaking, ensure implementation of EU rules, and promote continued democratization.

Some might respond that setting up this kind of partial membership would not be very attractive. For countries in the EU’s periphery, why try to meet the criteria demanding significant democracy and market opening when neighborhood policy allows entry into the European market with criteria that are more exhortatory than real with regard to democratization? Similarly, for countries like Norway, Iceland, or Switzerland which are already part of the European Free Trade Association (EFTA) or the European Economic Association (EEA), and already participate in the Single Market in myriad ways, where is the value-added?

The value-added is in a further, and necessary, privilege of membership: institutional participation.



Institutional voice and vote is necessary not only to make certain that the policy decisions are accepted as the right ones—because all participants would have a place at the table to air their concerns and vote their preferences—but also to ensure the “democratic” legitimacy of the decision-making process and the continued democratizing power of attraction of the EU. How this would function institutionally would naturally have to be worked out—and the Treaties would have to be amended to allow this. Doing so would help reduce the existing democratic deficit for those European countries which have chosen for different reasons not to join the EU.

### Toward a ‘Menu’ Europe?

Once the principles of unanimity and uniformity are abandoned, membership in the EU will no longer be an all or nothing proposition. Beyond certain basic membership requirements—being a democracy which respects human rights and participates in the Single Market—member-states will increasingly come to pick and choose the policy “communities” of which they wish to be a part. The result is differentiated membership in the EU. This is not to suggest, however, that the EU is now to be Europe à la carte, as the free marketeers might wish. Nor is it to encourage the communitarians to retreat to a “core Europe,” with one dish for all. Rather, this is an elaborate “menu Europe,” with a shared main dish (the Single Market), everyone sitting around the table, and only some choosing to sit out one course or another.

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### The EU’s Direct Democratic Surplus

Gary Marks

THERE ARE TWO WAYS to approach the question of democracy in the European Union. The first is a Platonic approach, which is to ask how an organization such as the European Union should be organized in principle. How much democracy would be best for a polity of this type? How much majoritarianism should there be? How much popular participation?

This is not the approach I wish to take here.

I am going to take an Aristotelian approach, which is to ask what is the least bad course under the particular circumstances that confront the polity. One vir-

tue of an Aristotelian approach is that it focuses on feasible ways to deal with the facts on the ground.

Let me begin with one fact: the demand—and the reality—of mass political participation in shaping EU institutions. The populist demand for national referendums on the so-called grand treaties has become the most consequential form of popular participation in the European Union (Hooghe and Marks 2008). Governments in one country after another have come to believe that they need the formal acquiescence of their publics in referendums to go ahead with basic European reform. Parliamentary votes are not deemed sufficient.

Public referenda are required even in countries, such as the United Kingdom and the Netherlands, where the legislature is formally supreme. Since the negotiation of the Maastricht Treaty, 29 referendums on Europe have been held in 20 EU countries. The only EU countries never to have held a referendum on Europe are Belgium, Bulgaria, Cyprus, Germany, Greece, Portugal, and Romania.

Referendums are arguably more influential than elections for the European parliament, which have only a marginal effect on the makeup of parliamentary committees or on the distribution of power in the parliament more generally. Referendums have blocked the entry of Denmark and Sweden into European monetary union, forced renegotiation of the Maastricht Treaty and the Nice Treaty, derailed the Constitutional Treaty, and have blocked the Lisbon Treaty. Several reforms, such as the entry of the UK into European monetary union, have been taken off the agenda because governments fear that they would be defeated in popular referendum. Turkish accession may experience the same fate.

I am not going to take a position on the virtues or vices of these reforms, but I do think there are compelling grounds to believe that the referendum process—here I am talking about the particular form this has taken in Europe—is deeply flawed.

In order to summarize the preferences of millions of citizens, a referendum boils down an issue into a single question that is amenable to a yes or no answer. This reduces preferences to dichotomous choices, and in so doing, divorces an issue from its context. Referendums conceives choice—for example, to join the EU, or not; to have a Constitutional Treaty, or not—as isolated from other choices that governments must make.

This places a serious burden on the information that citizens have on the particular issue. It is well known that most citizens have little information about single issues, and in John Zaller’s terms, when the information available to voters is thin, voters rely on their predispositions (Zaller 1992). These predispositions may be related to diffuse support for the government in power, even though the subject of the referendum may have



little to do with the reasons for government popularity.

At the same time, my own research and that of several others suggests that when citizens are confronted with an isolated choice on Europe they are prone to appeals to identity, with the result that political parties and single issue groups that mobilize identity—and in particular, national identity—are able to frame European referendum debates.

There is a paradox here. Isolating an issue from the context of democratic choice in order to facilitate democratic choice has the perverse consequence of introducing concerns that are unrelated to the issue itself.

This introduces a second perversity. Referendums are designed to settle issues, to provide a definitive result that draws legitimacy from direct democratic participation, but the implication of the argument above is that referendum outcomes are open to alternative interpretation. Was the rejection of the constitutional treaty in France and the Netherlands in 2005 merely an expression of discontent with sitting governments? Did it express a defense of national autonomy or opposition to foreign influence? Was it a rejection of neoliberal Europe, or was it an affirmation of popular bloodymindedness in the face of political elitism? The problem is that each of these interpretations has some plausibility. Because issues cannot be parsed into independent bytes, but are connected in diverse ways, decisions about those bytes are intrinsically ambiguous, with the result that referendums rarely, if ever, produce the final word: in practice they tend to open up, rather than settle, questions.

One response to these defects might be to claim that even though they do not achieve their purported goals, referendums increase the level of political discourse in a society; they raise the salience of important issues in a way that contributes to the quality of democracy.

I do not find this argument convincing. Jürg Steiner and his co-authors (2004), and Thomas Culpepper and his co-authors (2008), have found robust positive effects for discourse on the quality of democracy in discussion groups and legislatures, but they emphasize that this effect cannot be scaled up to large scale settings where individuals are more passive consumers of political discourse. Referendums, in particular, appear to be poor conduits of democratic discourse precisely because they parse issues into discrete pieces and frame alternatives in adversarial terms. The evidence—this is stark in the work of Canadian political scientists who have investigated referendums on Quebec—suggests that referendums encourage polarization rather than compromise, and do little to encourage reasoned debate.

Referendums negate the art of politics, which is precisely not to make either/or decisions, but to negotiate conflict by crafting compromise and trade-offs

across policies. Referendums bring out the worst in mass publics, and the particular way referendums are structured in the European Union combines crude majoritarianism with crude unanimity, for rejection of a reform in any one country blocks reform in the whole.

So what to do? It is fairly clear that the challenge confronting European decision makers is not whether to open the process to mass participation, for this has already happened. But participation in mass referendums does not contribute to the quality of democracy, substantively or procedurally. Rather than a democratic deficit, I detect a democratic surplus: an unplanned, incoherent, and inappropriate application of direct democracy to European decision making.

A likely response to this on the part of European governments is to reduce the number of referendums by cutting off their source, the grand treaties, and instead introduce reforms in smaller packages that may avoid the referendum process. This is understandable, but short-sighted. While some might argue that we should turn back the tide of democracy in the European Union, I believe it is both more fruitful and more feasible to redirect the demand for democracy to representative institutions. This is advocated by Simon Hix in *What's Wrong with the European Union and How to Fix It* (2008) and explored in relation to group representation by Philippe Schmitter in *How to Democratize the EU—And Why Bother?* (2000).

As the size of polities has changed from the Greeks polis to the imagined communities of the nation-state to the multi-level European polity, so have the means to exercise democratic control. As jurisdictional scale has grown, so thinkers and practitioners have conceptualized new ways to institutionalize democracy. Democracy is not a fixed set of institutional attributes, but a set of goals which have been adapted in novel ways to novel ways of organizing political life—which now include the European Union.

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**The Euro as International Currency:  
An Interim Report**  
Benjamin J. Cohen

HOW IS THE EURO DOING as an international currency? A decade ago, when Europe's Economic and Monetary Union (EMU) was first getting under way, the conventional wisdom was clear. It was only a matter of time until the old continent's new money would catch up with or perhaps even surpass the U.S. dollar at the peak of the world financial system. Typical was the view of two prominent European economists, Daniel Gros and Neils Thygesen, who declared enthusiastically that "the most visible effect of EMU at the global level will be the emergence of a second global currency" (Gros and Thygesen 1998: 373). In the oft-quoted words of Jacques Delors, former head of the European Commission, "le petit euro deviendra grand."

But there were also dissenters, including myself. In a lecture presented in 2003 at the eighth biennial conference of EUSA (Cohen 2003), I argued, to the contrary, that the conventional wisdom was wrong. Europe's joint money, I suggested, was fated to remain a distant second to the dollar long into the foreseeable future. Only in the immediate neighborhood of the European Union (EU), where trade and financial ties are especially close, would the euro enjoy any special advantages. Elsewhere, the currency would be handicapped by several critical shortcomings, all structural in nature, which would severely limit its attractiveness as a rival to America's greenback.

So five years later, what does experience tell us? The time seems ripe for an interim report. Enough years have elapsed for us to now take stock of the euro's accomplishments—or lack thereof. The verdict would appear to be that the dissenters had it right. Europe's money has not managed to mount a serious challenge to the dollar. The little euro has not become big.

### **The vision**

The vision of euro enthusiasts was always a bit vague. What does it mean to "catch up with" or "surpass" the dollar? At issue is the degree or extent of use of a money for various international purposes—what is commonly referred to as currency internationalization. Cross-border usage of Europe's currency was expected to grow. But without further explication, the notion of currency internationalization is ambiguous at best. In practical terms, at least three separate dimensions are involved: trajectory, scope, and

domain. To assess the euro's achievements and prospects, all three dimensions must be considered.

By trajectory, we mean the path traced by the euro as its use increases. Can the growth of usage be expected to continue ever upwards until parity with the dollar (or more) is attained, or is some ceiling likely to be hit short of that goal? By scope we mean the range of functional categories of use. Can euro usage be expected to grow for all international purposes, or just a select few? By domain we mean the geographic scale of use. Can euro usage be expected to expand across most parts of the globe, or in just a more limited number of countries or regions?

It is hardly a caricature of euro enthusiasts to suggest that in their vision, Europe's currency was expected to do well in all three dimensions. Cross-border usage would not bump up against a low ceiling and would be extensive in terms of both function and geography. In short, it would in time become a truly global currency, fully matching if not overtaking the dollar in both scope and domain.

### **The reality**

Reality, however, has turned out to be much more mundane. It is simply not true, as two German bank economists inexplicably contend, that "the euro has caught up in relation to the dollar in nearly all markets or areas" (Walter and Becker 2008: 3). Performance, in fact, has been far less impressive than hoped for. After an initial spurt of enthusiasm, internationalization of the euro actually appears to be leveling off, even stalling, and so far seems confined largely to a limited range of functional categories and geographic regions. Europe's currency has successfully established itself as second only to the dollar—but it remains, and is likely to remain, a quite distant second.

For a broad picture of what is really happening, there is no more authoritative source than the *Review of the International Role of the Euro* published annually by the European Central Bank (ECB). The most recent edition of the review appeared in June 2008, covering the period to the end of 2007 (ECB 2008). Data are provided on all three dimensions involved. With respect to all three, the Bank's conclusions are unambiguous—and damning.

Concerning trajectory, the Bank observes that international use of the euro has decelerated noticeably and would now appear to be stabilizing. A fast early start was certainly to be expected, once market actors were persuaded that the euro was here to stay. From the moment of its birth, Europe's new money clearly enjoyed many of the attributes necessary for competitive success. These included a large economic base in the membership of the euro zone,



initially numbering some eleven countries—including some of the richest economies in the world—and soon to comprise sixteen. They also included unquestioned political stability and an enviably low rate of inflation, all backed by a joint monetary authority, the ECB, that was fully committed to preserving confidence in the currency's future value. Moreover, there was every reason to believe that sooner or later the global position of the dollar would weaken, owing to the America's persistent payments deficits and looming foreign debt. Hence it was no surprise that in the euro's early days, use seemed to be expanding exponentially. "Momentum has led to an increase in the international role of the euro," exclaimed the Bank in 2002 (ECB 2002: 11). But subsequently, it is plain, that momentum has slowed down considerably. In its latest review, the Bank ruefully concedes that after its fast start, the international role of the euro "has been broadly stable for around five years" (ECB 2008: 11).

In effect, the euro has done little more than hold its own as compared with the past aggregate market shares of EMU's "legacy" currencies. Given the fact that Germany's old Deutsche mark had already attained a rank in the monetary system second only to the greenback, anything less would have been a real shock. But beyond that, a ceiling does indeed appear to exist. Straight-line extrapolation of the euro's initial acceleration far into the future does not seem warranted.

### Scope

Likewise, with respect to scope, it is evident that growth of euro usage has been uneven across functional categories. While activity has expanded in some areas, in others the dominion of the dollar remains as great as ever. The Bank's polite way of putting this is that use of the euro has been "heterogeneous across market segments" (ECB 2008: 7).

Expansion has been especially dramatic in the issuance of international debt securities, reflecting the growing integration of EMU financial markets. Indeed, by mid-decade, the euro had actually surpassed the greenback as the world's most important currency of issue, with net new issues in euros rising faster than for any other currency. At the end of 2007, euro issues accounted for roughly one-third of the outstanding stock of international bonds and notes (defined as issues in a currency other than that of the borrower's home country), up from just 19 percent in 1999. Over the same period, the dollar's share fell from around 50 percent to 43 percent. There has also been some modest increase in the euro's share of trade invoicing and central-bank reserves.

In other categories, however, little or no change has occurred. In foreign-exchange trading, the dol-

lar continues to dominate as a vehicle currency (the intermediary for trades between other less widely used monies), appearing on one side or the other of close to 90 percent of all transactions. The euro's share, by contrast, has remained essentially flat at about 37 percent. Similarly, in the global banking market, the euro's share of international loans has barely budged, while its share of international deposits is now actually lower than it was in 1999. The number of countries that formally align their exchange-rate policy with the euro, some forty in all, is exactly the same as it was when EMU began.

### Domain

The picture is also clear with respect to domain, which is sharply bifurcated. For the most part, internationalization of the euro has been confined to countries with close geographical and/or institutional links to the euro zone—what might be considered EMU's natural hinterland. These countries include the newest members of the EU, all destined eventually to join EMU, as well other candidate states (e.g., Croatia, Montenegro) and non-member neighbors like Norway and Switzerland. They also include most of the nations around the Mediterranean littoral as well as a good portion of sub-Saharan Africa. In these countries, where trade and financial ties are deep, the euro obviously enjoys a special advantage. Elsewhere, in stark contrast, scale of use drops off abruptly, and Europe's currency remains very much in the dollar's shadow.

For example, virtually all of the new securities issues denominated in euros come from neighboring countries like Britain, Denmark, and Sweden, while on the demand side most new issues go to the nearby European region or are taken up by investors within EMU itself, making them effectively "domestic." Elsewhere, the greenback still dominates in the holdings of debt instruments as foreign assets. Likewise, of the forty countries that peg to the euro in some fashion, four are European mini-states (Andorra, Monaco, San Marino, Vatican); eight are EU members (Bulgaria, Czech Republic, Denmark, Estonia, Latvia, Lithuania, Romania, Slovakia), and four are actual or potential candidates for EU membership (Bosnia, Croatia, Macedonia, Serbia). None of these governments have much choice in the matter. Another sixteen include the fourteen members of the CFA Franc Zone in Africa together with two affiliated economies (Cape Verde, Comoros), all of which were long pegged to the French franc even before the euro was born. And all the rest are either in the European hinterland or have well established ties with the EU or EU member countries. Concludes the ECB (2008: 42): "Close proximity to or institutional links with the euro area or the EU...



remain the determining factors for the use of the euro.”

### The verdict

In sum, the verdict seems undeniable. As an international currency, the euro's accomplishments are spotty at best. There is no doubt of the money's dominance in its own neighborhood; nor can one deny the considerable success it has attained in selected areas of activity such as bond issuance. But overall, after a fast start, its trajectory has clearly bumped up against a hard ceiling, falling short of enthusiasts' expectations. After nearly a decade of experience, it is evident that Europe's money has been unable to come even close to catching up with the dollar. My guess is that if we take stock again in another five or ten years, the outcome will look very much the same.

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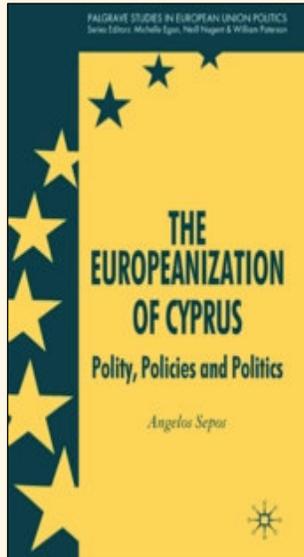
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## The Europeanization of Cyprus Polity, Policies and Politics

Angelos Sepos

Drawing from rationalist and constructivist approaches *The Europeanization of Cyprus* identifies mechanisms and processes of Europeanization and examines their impact on the following key dimensions of Cyprus: executive, legislative and judicial authorities; political parties and public opinion; economy; agriculture and regional policy; foreign policy; and justice and home affairs. It also assesses how the territorial and temporal dimensions of the country have mediated the impact of these mechanisms and processes, and ultimately shaped the country's Europeanization experience. The book aims to provide a deep understanding of the relations between Cyprus and the EU, while also enhancing our theoretical understanding of the impact of Europeanization on states, whether inside or outside the EU.

### CONTENTS:

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**Conclusion**

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## Book Reviews

Peter Brennan. **Behind Closed Doors. The EU Negotiations that shaped Modern Ireland.** Dublin: Blackhall Publishing, 2008.

OVER THE PAST FEW YEARS, many books and articles dedicated to the “Irish miracle” have been written and discussed both in academia and in European newspapers. Ireland has often been considered a “success story” for Europe (the “Celtic tiger”) because it underwent such remarkable economic development in the 1990s whilst many other European economies were in trouble. Moreover, much of this success has been attributed to the European Union, in particular to its cohesion policy and to Irish administrative capacity to implement this policy. Peter Brennan’s book is also devoted to the understanding of the Irish miracle, but adopts a different and more original perspective since it looks at policy formulation, i.e. the negotiations that representatives of Ireland have carried out with EU officials in order to obtain as much as possible from EU cohesion policy.

Adopting a participatory observation methodology, the author guides us through a number of key negotiations that have occurred in cohesion policy over the past twenty years, from the Delors package I (1987) to the most recent cohesion policy regulation (2006). In the various chapters of the book, very detailed accounts of Ireland’s capacity to influence decisions adopted by EU institutions are provided, showing clearly the concertative mechanisms (within Ireland’s key institutions) of cohesion policy preference formation and the government’s strategic negotiations at the EU level.

This is a very useful book for several reasons. First, it provides an in-depth story of how national interests can be formed and shared not only by the key bargaining actors (the Prime Minister–Taoiseach–, the Finance Minister and the Permanent Representatives in Brussels) but also by the national Parliament (Oireachtas). Furthermore, it shows how active the government has been in promoting its national interest also beyond the “traditional” EU targets. A very good example of such a capacity is provided by the Agenda 2000 negotiations: “The Taoiseach engaged in an intensive round of bilateral meetings with his European counterparts and the Commission [...meeting with...] the Heads of State and Government” of numerous European States, ensuring “that Ireland’s approach was well understood by its partners and the European Commission” (p. 337). Second, since the book covers twenty years of intense diplomatic activity, we can learn how a small State (Ireland) has been

able to develop and nourish a durable alliance with the European Commission on cohesion policy by gaining support from both EU civil servants (not only ones of Irish nationality) and EU Commissioners (again, not only Irish ones). In other words, Ireland has been particularly adroit in “dressing up” its own socioeconomic interests in “European clothes.” In the words of the author, the Irish negotiations show “how sheer determination and perseverance delivers results at EU level” (p. 133). Third, the account provided by Brennan unveils the “Irish miracle” from a new perspective: Ireland was not (only) a “tiger” because it was capable of spending EU funds effectively, but also (and primarily) because it managed to obtain such funds for a fairly long period of time due to successful negotiating. In other words, policy negotiation and policy implementation are two sides of the same “Irish success story” coin.

One fundamental question remains unanswered, although the author is clearly not to be blamed. The book was published before the Irish referendum on the new EU Lisbon Treaty (12 June 2008). Having finished the book, the reader is left wondering how was a ‘No’ to Europe possible? The (cynical) answer is that now Ireland does not need Europe anymore. Is this the case? Probably. But I am sure the author of *Behind Closed Doors* would have a well informed and well thought answer which could be the subject for a fascinating new book whose title could be: “Don’t open the door!”

**Paolo R. Graziano**, Bocconi University, Milan

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Sven Biscop and Johan Lembke (eds.). **EU Enlargement & the Transatlantic Alliance. A Security Relationship in Flux.** Boulder:CO: Lynne Rienner, 2008.

SINCE 9/11 and the Iraq war, publishing on transatlantic security relationships has become a kind of industry. The parallel and sometimes competitive enlargements of the European Union and NATO have been scrutinized by numerous pieces of research or expertise. But the consequences of EU enlargement on transatlantic security relationships have never been studied systematically. The support of future EU member states for US policy and the so-called “Old vs New Europe” crisis it provoked revealed the potential magnitude of the 2004 enlargement’s impact on EU international policy in general, and its alliance with the USA in particular. The volume edited by Sven Biscop and Johan Lembke fills this gap.

It raises two main questions that each contributor seeks to answer: what is the interplay between EU enlargement and fluctuating transatlantic security relations? Will the accession of new EU members reinforce this partnership or increase the EU’s assertiveness as a foreign policy actor? Many chapters are written by policy-oriented experts. For this reason, a theoretical dimension is almost absent from the book. For instance, Nick Witney, first chief executive of the European Defence Agency, tackles transatlantic burden-sharing, but the content of the chapter is more an exposé of the policy of the EDA than a discussion of the fundamental issue of sharing “burdens.” The book therefore lacks a chapter analysing this in terms of budgets, military capabilities and the impact of 10 new EU members concerning the future of the gap between Europe and the United States. Instead, the editors’ introductory chapters simply describe a changing transatlantic security relationship that has never been so much “in flux” since the end of the Cold war because, they claim, of the emergence of the EU’s European Security and Defence Policy (ESDP).

The book’s first part focuses on general issues: complementary versus competition between NATO and ESDP concerning crisis management, with Sven Biscop pleading for rebalancing the Alliance with two true pillars: the European Defence Agency, and the contributions of ESDP to transatlantic homeland security (Esther Brimmer). The second part of the book is more innovative, examining the impact of Eastward enlargement for the transatlantic alliance in four case studies: Poland, Czech Republic, Bulgaria and Turkey. Dursun-Özkanca’s contribution speculates on the consequence for the transatlantic relations of the three main scenarios for Turkish EU accession

(membership, “strategic partner”, rejection). EU enlargement and the inclusion of countries previously under Soviet and Russian domination led many West Europeans to consider that the new member states would become a “Trojan Horse” of Americanism and thus reinforce the intra-EU divide between “Atlantacists” and “Europeanists.” Kerry Longhurst on Poland and Radek Khol on the Czech Republic show that in fact new members have balanced their EU and NATO profiles and have pursued a pragmatic approach. Instead, they emphasize the impact of the 2004 enlargement on the “easternization” of EU foreign policy and that the efforts of newcomers have slowly but surely begun to transform the EU’s own involvement in countries on its eastern frontier. They conclude that the real tension within Europe might not come from the East Europeans’ attitudes toward transatlanticism but rather from their dramatically different experiences with Moscow and vital national interests in the democratisation of the EU’s neighbourhood. Indeed, 2008’s conflict between Georgia and Russia dramatically reminds Europeans that the United States and the European Union face new risks and challenges on Europe’s periphery. The new flank of the Euro-Atlantic community from the Balkans to the Southern Caucasus confronts the EU with chronic “frozen” conflicts and a more powerful, nationalist Russia challenging the western ambitions to enlarge NATO and the EU within its immediate neighbourhood. Indeed, the book’s third part is devoted to “the European neighbourhood” in a Transatlantic context. Jan Hallenberg analyses the new strategic triangle composed by the United States, Russia and the European Union in the “greater transatlantic region” while Hiski Haukкала examines the European Neighbourhood policy and its emphasis on soft power in the context of common American and European interests in the stability of South and East EU’s immediate neighbourhood.

The book provides a policy-oriented analysis that is very relevant for readers looking for a panorama of Transatlantic security issues. It offers a comprehensive overview of the relationship between the enlargement of the EU and the changing transatlantic security relationship in view of eastward enlargements of the European Union.

**Bastien Irondelle**, CERI-Sciences Po Paris



Didier Georgakakis and Marine de Lassalle, ed. **La “nouvelle gouvernance européenne”**. **Genèses et usages politiques d’un livre blanc**. Strasbourg: Presse Universitaire de Strasbourg, 2007

THIS AMBITIOUS BOOK on the genesis and evolution of the concept of European governance gathers together a significant number of essays offering a composite and innovative perspective on the topic. After a detailed introduction by Georgakakis on the ambiguities embedded in the notion of governance itself and on their practical consequences in the context of the 2001 White Book’s preparation, the remainder of the book is organized around two sections. The first focuses on the origins and more specifically on the process that led to the adoption of the White Book, while section two analyses the multiple usages that the Commission’s text has been subjected to during its elaboration and afterwards.

With some exceptions (e.g., François Foret’s essay on the White Book’s discourse), most contributions adopt an actor-centered perspective or focus on the scope conditions that have affected the drafting and adoption of the White Book. This approach, theoretically rooted in a constructivist sociology framework, is undoubtedly a welcome attempt to provide a novel and stimulating reading of the conceptualization and operationalization of the notion of European governance. As a result, the book is appealing to a very broad audience thanks to the research questions it raises and—more generally—for its ability to pinpoint the contradictions embedded in the evolution of the European project.

Due to space constraints it is impossible here to comment on each contribution, but the following deserve specific mention for their valuable input to the current debate and for the originality of the topic selected. In particular, Ioana Popa provides a comprehensive account of the current asymmetries in what she terms the “scientific space” of the European Studies discipline, by testing some of the underlying and often implicit assumptions (p.117-118) on the internationalization of research in this field of inquiry. With the help of a set of indicators on academic actors and the scientific production on the topic, she concludes that the existing scholarly output is strongly imbalanced towards contributions originating from the UK and the US, followed only distantly by research produced in EU-centred, German and Dutch structures.

Among the analyses of the attitudes of several players (i.e., the European Parliament, interest groups and the civil society, and national actors at different levels of government) towards the White Book, which is the main theme of the second half of the book, the contrast between the interpretation and usages of the text in different Member States is particularly striking. The

three essays on German municipalities (Lozac’h), the French State (de Lassalle) and the central and regional levels of the British government (Sloat), highlight a set of different issues that—when read in a comparative perspective—not only offer a complete picture of the merits and shortcomings of the White Book, but also manage to uncover the core tensions and trade-offs that characterize the construction of the European Union itself.

This is a vast project that perhaps raises more questions than it can fully answer in practice. To be fair, in several instances this is mostly due to the complexity of the object under exam. In this respect, the book has the merit of highlighting a very comprehensive set of issues. However, the diversity of the contributions would have benefitted from a tighter structure and possibly from a concluding chapter to orient the reader among the considerable amount of interesting and stimulating perspectives offered by the authors. For example, what are ultimately the most pressing theoretical and practical questions for the future? Where should policy-makers intervene? Where are the gaps in academic research that need to be filled to better understand the future evolution of the concept of European governance?

That said, the book covers almost everything deserving attention as far as governance in the EU is concerned, from the complexities generated by diverging national perspectives, to the problems resulting from heterogeneous interpretations of the role of governance, institutions, and the civil society at large, or to issues of problem definition in policy-making, as reflected in the potential mismatch between the questions raised by the Commission during the consultation for the White Book and the issues deemed relevant by the consulted parties (p. 358). In other words, this is an ambitious project which leaves both academics and policy-makers with a lot of food for thought.

**Lorna Schrefler**, University of Exeter





## 2009 EUSA PRIZES

### **EUSA Prize for Best Conference Paper**

The EUSA Prize for Best Conference Paper will be awarded in 2009 to an outstanding paper presented at the 2007 Biennial Conference in Montreal. All those who presented an original paper at the Conference are eligible, excepting persons who are current members of the EUSA Executive Committee and persons who have already won the EUSA Best Conference Paper Prize. The prize carries a cash award of \$100. To submit a paper for consideration, send an electronic version in Microsoft Word to [eusapitt@pitt.edu](mailto:eusapitt@pitt.edu). Please put Best 2007 Conference Paper prize in the subject line. The deadline is January 5, 2009.

### **EUSA Prize for Best Dissertation**

The EUSA Prize for Best Dissertation in EU studies will be awarded in 2009 to a dissertation written in English on any aspect of European integration submitted in completion of the Ph.D. at any university between September 1, 2006 and August 31, 2008. The student must have defended and deposited the final dissertation and graduated (been awarded the PhD degree) during this period as well. Dissertations submitted for students who did not receive the PhD degree and graduate during the specified time period will be disqualified. Only one dissertation per department at an institution may be nominated for this prize. The prize carries a cash award of \$250. Department chairs (not the dissertation committee chair) should submit an electronic copy in Microsoft Word of the dissertation with a short cover letter (letter of transmittal) from the chair to the EUSA Administrative Office at [eusapitt@pitt.edu](mailto:eusapitt@pitt.edu). Please put 2009 Best Dissertation prize in the subject line. Dissertations that are not submitted by the department chair will be disqualified. The deadline is January 5, 2009.

Committee members are:

Neil Fligstein, Chair  
University of California, Berkeley

Frederic Merand  
University of Montreal

Chris Ansell  
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### **EUSA Book Prize**

The 2003-05 Executive Committee of the European Union Studies Association established the EUSA Book Prize, to be awarded at each biennial EUSA conference, for a book in English on any aspect of EU studies and published in the two years prior to the EUSA Conference. This prize carries a cash award of \$US 300 to the author(s). For the 2009 EUSA Book Prize, to be awarded in Los Angeles, books published in 2007 and 2008 will be eligible. Authors or publishers will submit three (hard) copies of the nominated book (with a letter of transmittal), one to each member of the EUSA Book Prize committee and a cover letter or email to the EUSA main office. (Nominated books may not be submitted by e-mail, as galleys or proofs, or in any form other than hard-copy published book.) For the 2009 EUSA Book Prize, to be awarded in Los Angeles, books published in 2007 and 2008 are eligible. The deadline for receipt of the books by the committee members is January 5, 2009. The names and addresses of the committee members are:

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## Two Worlds of European Collective Action?: Civil Society Spillover(s) in European Climate Change Policy

VIRTUALLY ALL EUROPEAN environmental civil society actors agree that climate change is their biggest challenge. They just disagree about what to do about it. Take two recent examples from my research:

*"We are anxious about overusing protest strategies because we don't want people to think that we are just environmental Nazis who like to hang ourselves from things. We want to be seen as reasonable and professional people who understand what is politically possible." (Interview, Greenpeace Europe Unit)*

*"The EU is just a bunch of old guys shaking hands inside glass palaces. They aren't going to help us... what we need is to organize protest against climate change, for radical social change." (Interview, Climax Network Europe)*

Two different attitudes and action forms are represented here. While some civil society organizations engage in regularized, professional lobbying and consultations with European institutions, others organize mass, symbolic, and disruptive protests across the national boundaries of EU member states. Despite the observable variation in action forms used by civil society organizations active at the European level, the relationship between those organizations using conventional and contentious means—those who lobby and those who protest—is largely unknown. My ongoing dissertation research aims to find out if and how they are connected.

In order to gain analytical purchase on this complex topic, I am using a mixed method social network analysis, combining both interview and survey data to map connections between European environmental civil society organizations. With support from the Haas Fund Fellowship, I have already been able to conduct interviews, gather documents, and engage in participant observation at meetings of climate change activists in Copenhagen and at the European Social Forum in Malmö. I am currently conducting similar fieldwork with organizations and activists located in Brussels as a Fulbright fellow to the European Union.

My working hypothesis is that the network of civil society organizations operating at the European level is segmented into two distinct subgroups of organizational actors, meaning that those organizations using contentious action forms are only loosely linked to those behaving conventionally. I find evidence of two very different socialization experiences of activists working at the European level that helps explain this network segmentation. On the one hand, some activists have been socialized in the sphere of Brussels, undergoing a kind of European "conversion experience," and shifting their attention from the national to the European level (Marks and McAdam 1999; Martin and Ross 1998; Streeck and Schmitter 1998). On the other hand, another group of activists have been socialized in the global justice movement protests cycle of the early 2000s, meeting at transnational protest events or at the European Social Forum, and undergoing a kind of "Europeanization from below" (della Porta and Caini 2007). My preliminary findings suggest that these very different patterns of prior socialization have a major impact on the choice of organizational action forms and on the formation of European civil society networks. My ongoing research aims to further explore this hypothesis.

My ultimate research findings will provide original insight into the structure of the European environmental civil society network. This network structure matters because it has important implications for EU integration and democracy. Debate about the democratic credentials of the EU centers on the question of "democratic deficit": is there too little participation in the EU, and if so, does it matter? But when scholars and policy-makers talk about participation in the EU, they usually mean the use of conventional action forms by professionalized interest organizations (Beyers 2004; Greenwood 2003; Pedler 2002). This is for good reason: previous work has suggested that there hasn't been much European level protest (Imig and Tarrow 2001; Rucht 2001) and that the open structure of EU institutions make it unlikely that there ever will be (Marks and McAdam 1999). My study challenges this conventional wisdom by pointing to an explosion of contentious European level behavior that has emerged in the last ten years (Balme and Chabanet 2008).

Moreover, the participation of collective actors in European politics is commonly considered one of the motors of integration. As Haas remarked in *The Uniting of Europe*, "perhaps the chief finding is that group pressure will spillover into the federal sphere and thereby add to the integrative pressure" (Haas 1958: xiii). But participation can be a double-edged sword for democracies. On the one hand, an integrated network of civil society organizations attempting to influence EU pol-



icy through a variety of means in an “insider-outsider coalition” may increase the perceived importance and legitimacy of these institutions. On the other hand, the existence of an isolated, contentious group of protesters who participate only indirectly in EU politics may do just the opposite. If contentious participation outside of institutional channels reveals the lack of confidence citizens have in the institutions of the European Union, this could undermine these institutions’ perceived legitimacy, effective functioning, and ability to implement policy, thereby altering the character and pace of the integration process. Thus through empirical network analysis, my research sheds light on the complex and sometimes contradictory relationship between the spillover of group pressure to the European level and the prospects for European integration and democracy.

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### Report on EUSA Haas Fund Fellowship Research

I AM CURRENTLY LIVING ABROAD in Estonia where I have been conducting field work in each of the Baltic States and writing up my dissertation project. My dissertation project, “The Language of Belonging: The Russian Minorities in the Baltic States” concerns the effect of the EU and Russia on integration policies in the Baltic States in the post-accession period. The project is under the supervision of my dissertation chair Dr. James Goldgeier at the George Washington University.

Over the course of the past year I have further developed my research methodology which is based on a Q method technique and interviews with integration elites in each country. My field instrument, which consists of 56 statements drawn from both the Russian and titular language media in each state, has been front translated and back translated into all three Baltic languages and into Russian. From February-June 2008 I completed my Estonian fieldwork, which consisted of interviews with 29 policy elites. I also completed my field work in Latvia in May 2008, which consisted of interviews with 33 policy elites, and my field work in Lithuania in September 2008, which consisted of interviews with 28 policy elites. Financial support from the EUSA Haas Fund fellowship was crucial for helping me to cover the costs of front-translation, back-translation and proofreading of my Q method instrument in four languages (Estonian, Latvian, Lithuanian, and Russian) and for supporting living and research costs in each of these countries.

I was able to spend this past summer writing up the comparative research results of my Estonian and Latvian case studies. I presented the findings for the Estonian case at the co-sponsored ASN conference in Paris July 2-5 2008, and the comparative results of the Estonian and Latvian cases at the ISA-NE conference held in Baltimore October 3-4, 2008. Despite the



shared history of Soviet occupation and pressure from international actors to integrate their Russian minorities, the Q analysis reveals important differences with respect to how elites in Estonia and Latvia view the integration of the Russian minority in their respective states as well as the influence from international actors both prior to and after EU accession. Results of the research show that European norms and recommendations from European institutions are not very influential in the post-accession period. Given that the changes to minority policies in the late 1990s have not translated into significantly higher levels of structural integration, the impact of EU conditionality in the area of minority rights is rather limited in these cases. In addition, both the Q study, as well as interviews with integration elites, shows that Russia's activism does impact attitudes toward integration and language use in these societies in ways that work against integration and mutual accommodation between majority and minority groups.

The study reveals three discourses, or viewpoints, among Estonian elites and three discourses among Latvian elites. Among Estonian elites, the Russian minority in Estonia is no longer seen as threatening to Estonian culture and identity which is evident of a change in rhetoric since the early 1990s and provides hope for the Estonian integration program. However, while Europe remains a "positive" other for Estonian national identity, Russia still remains the dominant "negative" other and therefore has the potential to produce reactionary policy decisions on the part of Estonian elite that may hurt future prospects for integration in Estonian society. This is true especially in relation to views of history and language which remain divisive policy issues for Estonian elites. Estonia is at a critical point in its nation-building project in which a genuine desire for the cultivation of an inclusive national identity is tempered by confusion over what this new identity should look like and disagreements over the role that language and understandings of history should play in this new conception.

The results of the Q study in Latvia reveal a much greater polarization among Latvian elites along ethnic lines with respect to citizenship and language issues. Unlike in the Estonian case, one discourse among Latvian elites views threats to Latvian identity, language and culture, from both the Russian state and from the prevalent use of Russian in Latvian society. Among this group of elites there is also skepticism regarding the loyalty of noncitizens to the Latvian state. Russia is viewed as having the potential to destabilize Latvian society by perpetuating myths within the Russian community and therefore remains a dominant negative other in national identity construction. Europe is viewed as a positive other by Latvian elites however European institutions are not likely to be able to influ-

ence minority policies in a more positive direction in the post-accession period. Debates over the development of a more inclusive national identity were not as prevalent among Latvian elites as Estonian elites. In Latvia, attitudes toward language use in society are viewed as the key problem for bringing the two communities closer together as opposed to the problem of language learning in the Estonian case. While commonalities between elites in Estonia and Latvia are evident with respect to conflicts over interpretations of history and the focus on language as the key to integration, differences in threat perception in relation to the Russian minority and the degree of polarization among elites remain important differences between the two cases.

Previous studies that have focused on the impact of international actors on the development of minority policies and democratization in these cases cannot adequately explain the different attitudes of integration elites in these societies, or the different language and citizenship policies that were adopted in each of these cases. This research shows that elites act as filters between international pressure to change policies and the form that those policies and conceptions of integration take in these societies. Europe and Russia have been important external others in the construction of national identity in Estonia and Latvia and history has shaped perceptions of these actors among elites in ways that matter for understanding the effects of external pressure on policy change in these societies. Differences in elite attitudes and the degree of polarization between elite discourses in Estonia and Latvia cannot be explained by international pressure alone but must be understood in relation to domestic factors. The differences between the two cases can most likely be explained by three primary factors: the politicization of minority issues, the different starting points of legislation, and the ethnic and linguistic demography in each state.

I hope to travel to Strasbourg in January 2009 in order to interview Council of Europe elites who have been involved in monitoring the Framework Convention for the Protection of National Minorities in the Baltic States, and in advising these states on minority policies. These interviews will contribute to a greater understanding of how differences in understanding of international norms between norm-setters and norm-followers can influence the impact and implementation of minority rights norms in the Baltic States. Money from the EUSA Haas Fund Fellowship that was not spent on translation will be used to help fund this research trip.

I hope to submit a draft of my dissertation project to my dissertation committee in early Spring 2009 and, depending on necessary revisions, to defend my dissertation project sometime in late Spring 2009.

**Jennie Schulze**, George Washington University



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