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### The European Integration of Core State Powers

*Philipp Genschel and Markus Jachtenfuchs*  
Guest Editors

During the early 2000s, a tacit consensus emerged among EU-scholars concerning the shape of the Euro-polity. It conceptualizes the EU as a multilevel polity with strong powers to regulate economic policy externalities among the member states but little power to intervene in, let alone assume, core functions of sovereign government ('core state powers') such as foreign and defense policy, public finance, public administration and the maintenance of law and order. This 'standard view' of the EU commanded considerable support by scholars as diverse as Simon Hix, Andrew Moravcsik, Liesbet Hooghe and Gary Marks.

The Euro-Crisis prompted us to question the 'standard view' and investigate the EU involvement in core state powers more systematically. We invited a group of researchers to map and explain patterns of European integration in military security, fiscal policy and public administration. In this contribution, we highlight five findings of this collaborative research project.

First, the integration of core state powers has increased steadily and partly at high speed. The Euro-crisis has led to a massive and rapid increase in fiscal integration. Progress in military and administrative integration has been slower, but without any reversal. Unlike in most federal states, there are no ebbs and flows of centralization in the EU.

Second, the extent varies across policy areas. Integration is stronger in monetary and fiscal policy than in military security and in public administration. This is a key difference to federal states where military integration is invariably high and often was the main driver of the nationalization of other core state powers.

Third, the integration of core state powers proceeds mostly by regulation: EU institutions regulate how member states exercise their core powers but hardly build up capacity to exercise such powers—no EU army, tax or public administration. As Mark Hallerberg shows in his contribution below, the EU's fiscal capacity is much smaller than that of the US federal government but its regulatory grip on the fiscal policies of its member states is much stronger. In addition, as Waltraud Schelkle shows in her contribution, there is spillover: monetary policy leads to fiscal integration by the backdoor.

Fourth, the integration of core state powers is not invariably 'high politics'. In public administration it proceeds largely by stealth, i.e. within technocratic elite arenas without major involvement of mass publics.

Military integration also unfolds mostly by stealth, as Frédéric Merand and Kathleen Angers show in their contribution below, but is interspersed by brief bursts of public attention. Fiscal integration, by contrast, proceeds mostly by publicity: Key decisions such as the creation of the Stability and Growth Pact in the 1990s or the set-up of the ESM are canvassed prominently by decision makers, and attract considerable political contestation within member states.

Fifth, as Berthold Rittberger et al. argue below, core state powers are particularly prone to differentiated integration. In monetary and fiscal policy, the differentiation comes close to splitting the EU in two separate groups. In military security, differentiation is more of the *à la carte* variant, with changing participants.

In sum, the EU is much deeper involved in the exercise of core state powers than the 'standard view' in political science suggests. Why? The demand for integration grows largely from the desire of member states to limit policy externalities and to realize economies of scale. This is not fundamentally different from early phases of federal state-making. What differs are supply conditions, especially the weakness of the European center and the high consensus requirements of intergovernmental decision-making. This explains the weakness of European capacity building, the focus on regulatory integration and, incidentally, also the seeming irreversibility of the integration process. High consensus requirements make the first adoption of integrative measures difficult but also effectively prevent reversals at later stages. This often forces political decision-makers to cope with follow-on problems of integration by more integration, even though these problems induce publics to prefer less.

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Philipp Genschel and Markus Jachtenfuchs (eds.): *Beyond the Regulatory Polity. The European Integration of Core State Powers* (Oxford University Press, 2013). The contributions below are based on chapters in this volume.



## Fiscal integration in the EU and in the US

*Mark Hallerberg*

A core state power is fiscal policy, and historically it is a policy area where the Member States have traditionally maintained their prerogatives. The overall EU budget is tiny compared in percentage terms to any of the Member States. The power to tax lies at the heart of the sovereignty of any state; successive Treaties have not changed the unanimity requirement in the ECOFIN Council on taxation decisions. At the same time, precisely because these are “big” policies, the potential and actual externalities across their borders are large. Moreover, the Economic and Monetary Union, which includes the delegation of monetary policy to the European Central Bank for 17 of the 27 Member States, means that domestic fiscal policies take on added importance when it comes to domestic economic stability. The initial European economic governance framework focused on coordination of national economic policies and on encouraging Member States to stay above a limit on budget deficits. While there was also a monitoring system and even the possibility of sanctions for states that consistently ran “excessive” deficits, the Member States have been successful both in weakening the content of what came out of Brussels and then ignoring it. During the first decade of EMU, the fact that the framework did little to restrain public deficits and debts seemed to be inconsequential.

The euro crisis, however, changed matters. The discussion of “externalities” was no longer theoretical. The Italian and Spanish Finance Ministers have been some of the harshest critics of the Greeks and the Irish. The reason is that market runs on Greek and Irish bonds have direct consequences for the costs of borrowing for other countries in the eurozone. Moreover, the fact that “core” countries held many of the assets that would receive a “haircut” in the so-called “periphery” meant that even countries with strong public finances would be hurt. What emerges from this situation is that there is pressure for a transfer of more core state competence to the European Union. Three sets of reforms in 2011-2012—the “Six Pack,” the “Two Pack,” and “Fiscal Compact”—represent mostly greater regulation and not much additional capacity building.

To know how the crisis has changed the EU’s role in fiscal matters, one needs a metric for comparison. The United States is a good referent. Some consider it as the stereotypic fiscal federation. The US federal government has fiscal capacity but it does not regulate fiscal conduct at the state level. The EU, by contrast, has little fiscal capacity (no taxes and borrowing power, small budget) but it does regulate the fiscal conduct of the member states (albeit with limited success thus far).

The global financial crisis affected both the EU and the US, although pre-existing institutions played an important role—they limited how key actors with diverging preferences could react in terms of institutional change, and with the many checks and balances in both systems one would think that there would be no change at all. But in fact there has been more change than one may first anticipate. As Tsebelis suggests, during times of crises the two most important states in the Union, France and Germany, can become the crucial agenda setters for reform. This Franco-German engine is an old story, one that remains relevant even in an EU of 27. Nevertheless, multiple veto players in the EU in particular leave it in a reactive mode when it comes to regulation. Since the Treaty of Lisbon, the European Parliament has become a true veto player even in fiscal matters. The US federal government, in contrast, did not try to regulate the states during the crisis, but it did successfully increase further its fiscal capacity. One should see President Obama’s stimulus package in this light. Once again, the underlying institutional structure as well as the preferences of the crucial veto players explain the outcomes.

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## Fiscal Integration by Default

*Waltraud Schelkle*

In the course of the Euro area crisis since late 2009, the EU has made decisive steps beyond the regulatory polity and towards a fiscal union through the monetary backdoor. Paradoxically, it was the attempt by member states to prevent further fiscal integration and the creation of further competences for the Commission that led to fiscal integration by default. Governments were not ready to commit to more than limited emergency funds, so bond markets remained nervous and panic spread from Greek and Irish markets to Portugal, Spain and Italy. Thus, the European Central Bank (ECB) felt pushed to accept a politically salient fiscal responsibility that is hard to reconcile with the status of an independent central bank. Both—the member states’ perverse and futile attempt at preventing fiscal integration and the ECB’s reluctance to accept a more prominent role as lender of last resort to sovereigns—contradicts the Eurosceptic account of the crisis. It was the threat of a financial meltdown, not government debt as such, which forced the hands of the ECB.

This fiscal integration through the monetary backdoor is a pertinent example for what the introduction highlights as our main finding. Integration of core state



powers is demand-driven but differs from earlier experiences of federal state building because of the weakness of the center and, consensus requirements that cannot be met at the moment.

What were the main drivers on the demand side? The financial crisis since 2007 weakened the balance sheets of banks and worsened public finances dramatically. This created a potential for the vicious feedback loop between bank balances and government finances. By lowering the quality standard for (government and commercial) bonds that can be used for getting credit from the ECB or by buying government bonds from banks, the ECB tried to interrupt this feedback loop. But even without such a feedback loop or unsustainable sovereign debt, two more monetary-fiscal interfaces are bound to remain salient. For one, the possibility that a large cross-border bank can fail makes it very likely that the ECB has to step in even if it turns out that the bank is insolvent and thus a matter for fiscal authorities. Hence, the European Systemic Risk Board has now been placed inside the ECB. Moreover, large and permanent current account imbalances show up in the clearing system of euro central banks, namely when banks of exporters do not want to hold the claims against banks of importers as they normally do.

In all these cases, the ECB, and the European system of central banks more widely, cannot refuse to respond to the pressures for playing a quasi-fiscal role. It is in the explicit or implicit mandate of any central bank to maintain financial stability, and thus the infrastructure for the transmission of its monetary policy. Faced with the prospect of financial meltdown and disintegration of the EU—powerful demand pressures—even the most reluctant governments agreed to respond to the destabilizing fiscal vacuum with the supply of some policies, here: the unorthodox measures of the ECB.

However, the ECB was quite reluctant to assume that role. The central bank pressed for more fiscal integration, for instance made its buying of Greek bonds in May 2010 conditional on the creation of the European Financial Stability Fund and would have liked the permanent European Stability Mechanism to be a Union instrument with a joint guarantee by member states. With such instruments in place, the Bank hoped to get in a position where it can step back from responsibilities that impair its freedom to exercise its original, more limited mandate. A powerful non-majoritarian actor cannot preserve its autonomy and retain its credibility if it has to juggle conflicting mandates with contentious distributive consequences, such as price stability versus financial stability.

Fiscal integration by default is the result of trying to maintain budgetary disintegration against economic-functional imperatives of stabilizing integrated financial market. Political decision-makers thus try to cope

with a follow-on problem of monetary integration by more integration. It is unlikely, however, that the quasi-fiscal role of the ECB constitutes an institutional equilibrium as the proudly independent Bank has become too powerful for its own good.

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### **Military Integration in Europe** *Frédéric Mérand and Kathleen Angers*

Dying for the state is the most conspicuous of core powers. The soldier embodies the state. Most observers thus believe that the European Union is irrelevant to defense matters because member states are bound to resist opening up their military to foreign influence. The chapter we have written tests this claim through an empirical assessment of the effects of Europe on the organization of armed forces.

Our results indicate that there has been considerable integration of military power in Europe, but mostly through NATO and only secondarily through the EU. While the EU's direct impact on defense policy is minimal, as Anand Menon explains in his own contribution to the volume, European institutions have had some influence on the organization of armed forces. For example, European Court of Justice rulings with regards to gender equality and working conditions have accompanied a general trend towards the civilianization of the military. Also, as Moritz Weiss shows in his chapter, internal market rules are increasingly applied to defense procurement, with possible future impacts for the military.

More importantly, we estimate that around 65,000 European military officers have worked in an EU structure of some sort since the Common Security and Defense Policy (CSDP) became operational in 2003. By EU structure, we mean Brussels-based political-military bodies and EU military crisis management operations, but also national units that owe their existence to the EU, for example units assigned to EU Battle Groups or EU desks in defense ministries. Of course this is a rough number, and it pales in comparison with both the total strength of European military personnel (2 million) or those who have been involved in NATO structures. In terms of the book's analytical framework, we argue that military integration proceeds mostly by stealth, although some initiatives, not necessarily the most important ones, have drawn public attention. Diminishing defense budgets and the growing legitimacy of UN-sanctioned multinational operations since the end of the Cold War have created a strong demand for military integration among European countries. To promote the



sharing of risks, capabilities and tasks, and to facilitate the interoperability of armed forces, policy makers have tapped into the organizational resources of two organizations, first NATO but also increasingly the EU. While the bulk of military integration is technical and occurs under the radar, in places as remote as N'Djamena and Kabul, some initiatives such as the Eurocorps are given symbolic prominence because Europe is seen as a selling point to war-weary publics.

The irony is that diplomats and soldiers, i.e. the actors most closely associated with the formation of nation-states, are the ones who are pushing for military integration. By no means are these people the gravediggers of national sovereignty. If they have to go beyond the nation state, they tend to prefer cooperation with the US to European cooperation. But because they are also immersed in a densely institutionalized European environment where the demand for cooperation is strong, the solutions they propose often have to be couched in European terms.

Our chapter concludes with the prediction that military integration will continue at its moderate pace in Europe, mainly for two reasons. First, as Philipp Genschel and Markus Jachtenfuchs argue in their introduction to the volume, there is no supply of disintegration. Public support for European defense remains high, and no political force supports the renationalization of armed forces. National interventions like France's air strikes in Mali this January have become and will be increasingly rare. Second, demand conditions are stronger than ever. The continuing fall in defense budgets, the growing cost of equipment, and the premium placed on interoperability will continue to bring European militaries closer to each other. Multinational legitimacy has become too important, and no European country can afford a major military operation on its own anymore.

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### **Core State Powers and Differentiated Integration**

*Berthold Rittberger, Dirk Leuffen  
Frank Schimmelfennig*

Differentiation has become a familiar feature of the European polity: the Eurozone and 'Schengenland' are the most prominent cases of selective EU membership. Moreover, it comes in different shapes and forms. Monetary and defense policy are marked by 'internal' differentiation, a condition whereby a minority of EU member states has not (yet) signed up to EU rules. 'Internal' differentiation can be accompanied by 'external' differentiation. Schengen is an example: While some EU member states have decided not to be part of

'Schengenland', Norway, and Switzerland have adopted the EU measures abolishing intra-EU border controls. Differentiation can also have an exclusively 'external' dimension. For instance, EU outsiders participate actively in the common market through the EEA.

Core state powers display an interesting pattern of differentiation when we compare them to differentiation of non-core state powers (spending and regulatory policies). Core state powers are characterized by 'internal' differentiation. We witness opt-outs in monetary policy, external and internal security policies and, as of very recently, fiscal policy. In contrast, non-core state powers are either uniformly integrated—e.g. the EU's spending policies—, or they display 'external' differentiation, such as the regulatory policies flanking the single market. This raises two questions: First, why do states opt for differentiation? Second, what explains that differentiation in the area of core state powers takes mainly the form of 'internal' differentiation?

Differentiation is mainly brought about by three factors:

- First, if countries are unevenly affected by policy externalities or benefit differently from economies of scale, they may opt for differentiation. A policy area tends to be the more differentiated, the more the states participating in integration are affected unevenly by externalities and economies of scale.
- Second, publics and voters are likely to demand opt-outs if they perceive themselves as losers of integration or if they perceive integration to undermine their national or regional identity. Policy areas that profoundly touch upon national identity markers and that are characterized by distributional conflict are more easily politicized, especially in countries with high levels of Euro-skepticism. Internal differentiation thus becomes more likely.
- Third, sector-specific levels of integration may facilitate or inhibit differentiation. Where supranational actors—the Commission, the EP, the ECJ—hold rule-making or adjudicatory powers, they will employ their competencies to prevent differentiation in order to uphold uniform integration or extend the reach of EU law 'by stealth'. Conversely, where supranational actors possess limited capacities, they have a hard time to curb the centrifugal forces of internal differentiation.

How do these arguments map onto the internal differentiation of core state powers? While security, fiscal or monetary interdependence may be as strong and heterogeneous as interdependence in, say, transport, the



environment, or trade, core state powers and non-core state powers are significantly different when it comes to the potential for politicization and the powers of supranational actors. With the exemption of monetary policy, states have shown to be reluctant to transfer core state powers to supranational organizations: The capabilities of supranational organizations to press for uniform integration in areas such as defense and fiscal policy are comparatively weak. More importantly though, the integration of core state powers is likely to be more politicized than the integration of non-core state powers, because core state powers are highly relevant from the vantage point of national identity. Giving up control of borders, migration, one's currency and army is likely to be considered a stronger identity threat than giving up control of trade, transport or research policies; and the integration of fiscal policy requires more transnational solidarity than the integration of environmental policy.

Demands for deeper integration of core state powers are likely to meet growing resistance of increasingly identity-concerned and Euro-skeptic publics. The internal differentiation of core state powers is a consequence of this dynamic. The British and Czech governments rejection of the Fiscal Compact are recent cases in point. Moreover, the relative weakness of supranational actors in the area of core state powers to promote uniform integration 'by stealth' is a supporting factor for internal differentiation.

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We have entered an exciting new era of legal history studies. Drawing upon a number of recently available archival sources and historical methods, innovative European Union legal studies are questioning long-held beliefs and presenting complex stories of the legal process in the EU. For many years, the idea that the European Union's Court of Justice (ECJ) has transformed the Treaties into a "constitution" has gone relatively unchallenged. The study of how, why, and to what extent the courts were able to constitutionalize the treaties has been a bit tangential to mainstream EU theory, but the idea that the courts had done so was widely accepted as something of a legal background or baseline to integration studies.

While historians have long examined the political process of the EU, focusing on economics and high politics, the legal system has managed to remain – for the most part – out of the historian's magnifying glass. These scholars, when focused on the legal system, have typically focused on case law. As "high politics" or "critical" moments in EU history, these cases are vital – Van Gend en Loos, Cassis de Dijon, and others – but as Bill Davies suggests, "legal history is more than just the law" (Davies 2012, 216). Historians, Davies argues, are sometimes hesitant to delve into legal studies, and often, these studies are undertaken by political scientists and other scholars who are more interested in those punctuated moments than in a rich, historical record.

This, however, is changing. Two new volumes present a number of fresh ideas and contextual studies of legal issues in Europe. The first is Bill Davies' 2012 book from Cambridge University Press, *Resisting the European Court of Justice*, and the second is the special issue of *Contemporary European History* (21:3), published late in summer 2012 and edited by Davies and Morten Rasmussen. These scholars and their colleagues are on the vanguard of innovation in both legal inquiry and integration studies. Presenting valuable, complex stories of legal history, these analysts give us insight into the thinking of scholars, judges, jurors, the ECJ, national courts, the media, and the public during the time period in which the "constitutional" nature of EU law was established. They examine in minute detail such varied topics as legal thought during the interwar period and its effect on the later establishment of the EU, German resistance to the ECJ, and the influence of the Dutch on the idea of the primacy of European law, among others. Taken all together, these research-

ers offer new critiques of and novel insights into our understanding of the legal system of the EU and how it relates to the greater project of European integration.

Bill Davies examines the national reaction among the German public, the media, the national courts, and others to the ECJ rulings that created direct effect and primacy of EU law (the basis of what we call the "constitutionalization" of EU law). In so doing, he aims to examine theories of "integration through law" (ItL) as provided by the literature. He characterizes ItL models thus: first, the legalist model provides idea that the law is autonomous of society and politics; second, the realist model asserts that the ECJ works to avoid provoking a national political response and thus focuses on the national interest of states; third, Karen Alter's model of "negotiated compromise" suggests that the ECJ carefully avoids both public attention and political backlash. Finally, Davies asserts that J.H.H. Weiler provides a model based on rational choice ideas.

Davies finds that, contrary to the perception that the Court's rulings found fertile ground in permissive ignorance, a great many German intellectuals, the media, and indeed the public were not only aware of what the court was doing, but were keenly interested in these supranational developments. Attentive people in West Germany examined, critically analyzed, and in the end rejected these rulings (Davies 2012, 201). The legal academy, composed of both scholars and practitioners, framed the debate. Particularly in the areas of democratic accountability and the protection of civil rights, the institutions of the EU and the Federal Republic of Germany were openly compared and, in the end, the young German institutions appeared to be preferable to the public and legal scholars alike (Davies 2012, 201).

This resistance as provided by West Germans, Davies argues, was effective in institutionalizing a commitment to human rights in EU institutions and laws. The government itself was unable to provide resistance to the ECJ; but the public and legal scholars were indeed able to impact the direction of the EU. Clearly more of this sort of research may provide additional evidence of the influence of other national publics; the implications for scholars are clear. EU historians should examine other time periods and other national contexts to provide better explanations of European law and the development of the EU legal system. The generally accepted idea that the ECJ constitutionalized the treaties while the permissive public watched is far too oversimplified.

Davies also finds that many of the "integration through law" theories are insufficient. Neither the realist nor the legalist perspectives are supported by the historical evidence. The "negotiated compromise" theory is partially born out, but the model cannot fully explain all the forces at work and the outcomes that resistance created. Finally, there is little support for the Weiler



model; Davies shows that “...the rational choice suggested by the model was simply not made...” (Davies 2012, 212). Davies argues persuasively that ItL theories don’t provide a complete explanation of the phenomena he describes; new or revised theories are necessary.

Davies and Rasmussen’s special issue of *Contemporary European History* contains six studies, plus an introduction and conclusion. The volume aims to “shed light on a number of underexplored areas of integration’s complex legal history from multiple perspectives – European and national, pre- and post-‘coup’, thematic and policy areas” (Davies and Rasmussen 2012, 310). To this end, Jean-Michel Guieu explores debates about international law in the interwar period. Guieu finds that the two World Wars created questions regarding the accepted legal doctrines of the time, asserting that by the 1950s, “international legal doctrine revealed itself to be inefficient in dealing with the new challenge of supranationality” (Guieu 2012, 337). European law had to fill the void.

Breaking with international legal doctrine was only the beginning. Boerger-de Smedt argues that, although the idea of creating a constitutional court in the early treaties was consciously rejected, legal scholars and jurists were able to include the seeds for a future transformation in both Rome and Paris. Two opposing schools on the issue created an ambiguous legal order. “Because of these ambiguities, the further development of European law was left to the individuals who would apply the treaties and use the legal tools provided to advance European integration (Boerger-de Smedt 2012, 355). The right confluence of judges would have to come together in order to create the legal revolution towards constitutionalism in the European Communities.

Karin Van Leeuwen demonstrates that Dutch tradition and legal reform constrained Dutch courts in their actions toward the ECJ in the 1950s and 1960s – Dutch courts looked to the ECJ for legal interpretation. The research shows that national traditions were critical in the revolution in the EU legal system (Van Leeuwen 2012, 370-373). Rasmussen builds upon this, using recently available archival materials that establish that “...the Legal Service [of the European executive] played a crucial both in terms of devising the legal philosophy behind the two rulings [Van Gend en Loos 1963 and *Costa v. E.N.E.L.* 1964] and in the establishing of a professional and academic field of European law, which would underpin the constitutional practice. At the same time, ...[the ECJ] did this in a cautious and restricted manner to minimize national resistance” (Rasmussen 2012, 375). Alexander Bernier examines the roll of transnational legal networks in the first two decades of the European communities, focused on the French Association des juristes européens. He finds

that previous work on the subject failed to take into consideration the rich contextual aspects of national and transnational associations. In the French case, the association struggled to make any sort of impact on the reception by the French of European law (Bernier 2012, 414-415).

The Davies contribution to the special issue examines the institutionalization of the European Convention on Human Rights (ECHR) in the 1970s. He argues that the conventional focus on the ECJ as the primary actor ignores the importance of national decisions, such as the Solange case in West Germany. Davies argues here that “we must complicate our retelling of the European Union’s legal history by rethinking the importance of national-level agency (Davies 2012a, 419-420). Finally, Laurent Warlouzet and Tobias Witschke examine competition policy and the rule of law from the 1950s to the present day. They reveal a complex history of interactions between the Courts and other EU institutions, asserting that Commission efforts in antitrust have sometimes been overturned or complicated by Court of First Instance and ECJ rulings and opinions (Warlouzet and Witschke 2012, 453-455). This piece supports the idea that historical studies of legal decisions and legal processes are necessary to a more full understanding of EU policy, as the others discussed herein for the development of European law.

The conclusion of the journal, written by Peter Lindseth, draws upon the critiques of the established “baseline” of our understanding of EU law and EU governance presented in the issue. He argues that we should view integration “in legal-historical terms, as a denationalized expression of diffuse and fragmented (that is, ‘administrative’) governance” (Lindseth 2012, 457). The very complicated nature of the historical studies presented in the journal show that perhaps Lindseth may be right.

These new historical studies confirm that examinations of the processes of the legal institutions of Europe can shed new light on our understanding of European integration. Far from a straight-forward constitutionalization of the Treaties, the nexus of activity between the national courts, legal networks, scholars, the public, politicians, the media, and the EU courts complicates what is otherwise a nice, tidy picture. Unfortunately for theorists, our formerly neat understanding of the constitutional activities of the Courts as happening out of the public eye and in an atmosphere of permissive ignorance has now been muddied by historical accuracy – and rightfully so. What these studies establish is that even more of these analyses are absolutely necessary if we are ever to craft an accurate understanding of legal integration in Europe.

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### **Security, Freedom and Justice? Insights from three countries**

*Christian Kaurert and John D. Occhipinti*

From the entry into force of the Amsterdam Treaty in 1999 and the onset of the global financial crisis and 2008, the EU's Area of Freedom, Security, and Justice (AFSJ) was, aside from the accession of new member states, the most dynamic dimension of European integration. Like its very name, the AFSJ entails an inherent tension between the challenge of providing security concerning border management and the fight against transnational crime and terrorism and ensuring that the EU embodies the fundamental democratic principles of freedom and justice. With the creation last October of our new EUSA interest section, we thought it was time to reflect on this apparent conflict in the AFSJ and illustrate its importance from the point of view of three countries that often make headlines regarding EU politics, but for other reasons.

We begin with Germany to illustrate the challenge of providing both freedom of movement and security in the AFSJ. We start here because Germany's early development via European integration contributed to the very need for a great deal of the EU's present-day cooperation on the AFSJ. Especially in the decades after World War II, the economic growth of both Germany and the European Community (EC) was built on commerce. This increasing volume of trade in the EC's common market led to the need for open internal borders, which ultimately materialized in the form of the passport-free Schengen zone that we know today.

Plans for this began in the 1980s as the EC moved to perfect its common market and further increase the flow of goods and people across its member states' borders. In fact, the common market was fostering so much trade that it was causing traffic jams and mostly needless checks on goods and people moving from one EU country to another, notably at the German-French border. At the time, five EC countries decided it would be better to promote free movement and manage a shared external border, and so the Schengen zone was conceived, implemented in 1995 and eventually expanded.

However, free movement for people and goods was expected to worsen the challenges of fighting transnational crime and crime and terrorism. In addition, Germany's success as a prosperous democracy made it a magnet for both refugees and organized crime. Flows of both intensified with the end of the Cold War,



as political and economic change swept across Central and Eastern Europe and as Yugoslavia broke violently apart.

Thus, in the early 1990s, when the topic arose in the EC in to strengthen economic integration by creating the Eurozone, Germany connected this option to its mounting internal security challenges. Germany's prized DM, symbol of its post WWII success would be traded for the euro if deeper integration would include cooperation on internal security, which would help Germany deal with crime and refugees. Consequently, the new European Union's new "third pillar" was born in the Maastricht Treaty, promoting cooperation to fight transnational crime, manage borders and deal with refugees. Within a decade, this initial cooperation on "Justice and Home Affairs" (JHA) was transformed by the Amsterdam Treaty into the goal of creating an AFSJ.

While this brief historical account of Germany and European integration helps us to understand the inherent tension between freedom and security in the AFSJ, the case of Greece reveals the challenges of providing justice in the context of competing concerns. In recent years, Greece has emerged as the poster-child for the euro-crisis, yet observers of the AFJS have also known that that it has become emblematic of the challenges faced by the EU in managing its shared borders.

Approximately 140,000 people enter the EU illegally each year, and since 2009, about a third of these have done so through Greece, mostly through its porous land border with Turkey. Most of these immigrants are poor people from Pakistan and Afghanistan, seeking a better life, but some are seeking asylum and protection from war or oppression at home. These are true refugees from all-over Africa and Asia, but lately from Syria. Some of these asylum seekers will make their claims for refugee status in Greece, but others will try to make it to another EU state, such as Germany or Sweden and try their luck there. This phenomenon reveals four sets of challenges for the AFSJ.

The first is the need for an EU role in managing the shared borders of the Schengen zone. Greece, for example, cannot begin to stem the tide of people crossing into its territory and it cannot handle the volume of asylum seekers that it now faces. Consequently, many asylum seekers and immigrants who remain in Greece are forced to live under inhumane conditions, while those who leave create problems for other EU members.

The EU's response to this challenge has been to create new mechanisms that help countries like Greece manage their borders. For example, there are now emergency funds available from the EU to help countries deal with influxes of refugees, new databases to monitor asylum and visa applications (Eurodac and the

Visa Information System), and new agencies to assist members states, such as Frontex for border management and the European Asylum Support Office.

Examining Greece also reveals a second challenge for the AFSJ, namely achieving "solidarity" among EU members to pay for border management. Controlling its borders has long been a challenge for Greece, but the ongoing financial crisis has made this worse. At the same time when Greece needs more resources to deal with more immigrants and refugees from the Arab Spring, it must make due with less - and the same is true for Cyprus, Italy, Spain and Malta. Burden-sharing or what the EU calls "financial solidarity" has always been part of European integration, but in the case of Greece, we see that this is an issue not only for dealing with the euro crisis, but also managing the AFSJ.

A third challenge highlighted by Greece is need for the EU to protect human rights as it fashions its common policies for its AFSJ. In fact, we should finally point out here that the term irregular immigrants is now commonly used in Europe (and only recently in some circles in the US), rather than illegal immigrants. The latter term, it is argued, de-humanizes and perhaps inaccurately criminalizes people who may only be seeking a better life or even asylum protection guaranteed by international law. Noting this kind of attention to human rights is not to say that immigrants and refugees are always treated justly by EU policies. Yet, concern for justice and not just security explain why the AFSJ looks the way it does today and helps account for the difficulty that the EU has experienced in fashioning its planned Common European Asylum System.

Finally, the fourth challenge for the AFSJ revealed by the case of Greece is the need for the EU to deal with the external dimensions of its internal security. This is not new. As noted above, the end of the Cold War entailed new pressures on the EU. Later, the terrorist attacks of 9/11 had a profound impact on the AFSJ, by creating the political impetus for the EU to move forward on number of new initiatives to fight both terrorism and cross-border crime. Recently, the political upheaval in North African and the Middle East has not only lead to new flows of refugees to Greece and other EU member states, but also fostered conditions that provide fertile ground for organized crime, drug traffickers, human traffickers, human smuggler, and potentially even terrorists.

In fact, this external dimension of the AFSJ is not only important for the EU as it considers its neighbors to the south, but also as it looks west to the United States, the third country to be examined in this article. It should be recalled that, in the wake of 9/11, issues related to the AFSJ rose to the top of the transatlantic agenda. For example, the EU had to react to American policy



change on container security, as well as new stipulations for European travelers to the US. The US and EU also negotiated new arrangements on extradition and mutual legal assistance to fight crime and terrorism.

Through all of these developments, the EU has had to strike the right balance between being a good security partner for US and staying true to its own principles of freedom justice. On some occasions, this has proved challenging, such as when the transatlantic cooperation has entailed the sharing of person data. This is because the right privacy is widely considered to be fundamental civil liberty, and related to this is the right to have one's personal information protected. In the EU, this means personal data can only be collected, stored, or shared for a specific purpose laid down by law and that an independent authority must be in place to ensure personal data is protected. This notion of data protection is now a fundamental right in the EU and has been codified in the Charter of Fundamental Rights attached to the Lisbon Treaty.

In the US, data protection is approached differently. Although privacy is not specifically mentioned in the US Constitution, various kinds of privacy rights have been derived from the Bill of Rights and been protected by the Supreme Court. The US may not have the same system of data protection as found in Europe, yet various American government agencies have privacy policies and offices dealing with data protection, such as the unit devoted to this in the US Department of Homeland Security (DHS).

Nevertheless, there are indeed transatlantic differences in this area, such as the lack of independent agencies in the US for monitoring privacy or data protection. While this puts the US at odds with the EU in a formal, legal manner, data protection also carries greater political weight in the EU. For example, most political groups of the European Parliament (EP) have strong positions on the need for meaningful data protection, and there is now a Directorate General of the Commission devoted to "Justice" that tends to emphasize this issue as a fundamental right.

Transatlantic differences on data protection became prominent after 9/11 when the DHS began requiring European airlines to share Passenger Name Record data (or PNR), which are collected by air carriers from ticket bookings and includes credit information, travel companions, seating, etc. Although PNR data have been used successfully in a number of terrorism cases, the provision of European's personal data to the US has raised many questions, such as what information would be provided to the US, how long it could be stored, how it could be shared among various US authorities, and what European citizens could do if their personal data were every misused. After years of negotiations and two

previous agreements, a permanent PNR data-sharing arrangement has been in place since 2012, though not everyone is satisfied with its protection of Europeans' personal data, especially some in the EP.

Similarly, there is also a transatlantic agreement in place that provides the US with Europeans' data from the Society for Worldwide Interbank Financial Telecommunication (SWIFT), the Belgium based company that keep records on world-wide banking transfers and other financial transactions. Because SWIFT has a mirror computer server based in the US, it has been legally required to provide information to the US Department of the Treasury for its terrorist finance tracking program (TFTP), which was kept secret until revealed by the New York Times in 2006. More importantly, the transfers were happening in apparent violation of EU law.

Amid the resulting controversy, SWIFT created a new mirror server in Switzerland for its European data, meaning the US could only obtain information on transactions involving European banks by special request and under the restrictions of European law. Just as with the PNR issue, there were those in the EU Commission and member states that saw value in sharing banking data with the US, mainly because European security agencies wanted the intelligence gathered from TFTP and lacked their own means to provide this. Yet, others worried more about Europeans' privacy rights, especially many members of the European Parliament, which, in 2010, blocked an initial agreement to allow this, asserting some of its new powers over the AFSJ under the Lisbon Treaty. Later that same year, a transatlantic deal was reached on TFTP, though not everyone in the EU believes that this strikes the right balance among the principles of freedom, security and justice. Indeed, transatlantic differences on this general issue are likely to shape US-EU relations on the AFSJ moving forward.

To summarize, we have witnessed the remarkable development of an EU policy area devoted to the principles of Freedom, Security, and Justice. However, we have also seen that it has not been easy for the EU to manage the inherent tension among these ideals, as well as the challenges associated with each of them. Examining Germany has helped explain why the EU's third pillar was created in the first place, especially as a response to other EU policies aimed at free movement. The case of Greece has illustrated the challenges faced by the EU in managing its shared borders in the context of competing concerns, such as human rights, financial constraints, and external forces. Lastly, our consideration of the United States has demonstrated that meeting the demands of the transatlantic security relationship is affected by different approaches to data protection.



In conclusion, as we launch our new EUSA interest section, we encourage researchers to explore these and other issues related to any conflict among the core components of the EU's Area of Freedom, Security and Justice. Today, this policy domain entails border management, asylum and migration, the fight against cross-border crime and terrorism, the protection of fundamental rights, and cooperation on civil law. Over the past decade or so, developments in the AFSJ have been paralleled by increased scholarly activity on this wide-ranging policy area. The small group of researchers who have been following the AFSJ since the 1990s have now been joined a new generation of scholars who have published a many fine PhD theses, books, articles, and chapters – especially over the past five years. Nevertheless, projects on the AFSJ remain underrepresented at professional conferences and in EU studies in general, particularly in North America.

Scholars and professionals engaged in the following areas will be encouraged to participate in the new interest section:

- Asylum policy and refugees
- Migration policy in the EU
- Border management and the Schengen zone
- Agencies in the AFSJ
- Civil Law
- Criminal law
- EU institutions and the AFSJ
- External dimensions of internal security
- Fighting transnational organized crime and terrorism
- Protecting fundamental rights, EU founding values and EU citizenship-related rights
- Transatlantic relations and internal security

We now launch this interest section and plan to use the next EUSA conference in Baltimore to hold an organizational meeting. Although this session will be used for brainstorming, we already have it in mind to organize research workshops in Europe and North America, produce edited volumes or special editions of journals, and indeed a new journal, based on these, and support and encourage the work of graduate students in these initiatives. Please join us in these endeavors!

**Christian Kaunert**, University of Dundee  
**John D. Occhipinti**, Canisius College



**Elizabeth Bomberg, John Peterson and Richard Corbett** (eds.). *The European Union: How Does it Work? Third Edition*. Oxford: Oxford University Press, 2012.

One of the primary challenges of textbooks on the European Union is not only keeping pace with the constant evolution of its institutions and policies, but making this information accessible to novice scholars of Europe. The objective of this textbook is to provide a great deal of factual information in an easy to process format, making its key contribution its ability to serve as a useful reference guide for beginner students. The third edition features a number of updates -- it has been revised to include the ratification of the Lisbon Treaty and the effects of the Eurozone financial crisis, and its context has expanded to include new chapters on the EU's security role, a more in-depth look at policymaking, and the democratic credentials of the EU. Furthermore, the editorial team has changed to include Richard Corbett, a former MEP and current advisor to the President of the European Council, to continue the tradition of the previous volumes in offering a practitioner's perspective.

The volume's focus is broad, while its content is extremely concise. It is packed with factual information in order to untangle the many moving parts of the EU, and is organized in a way that lends itself to easy reference and quick review. Chapters are short, and begin with a summary that displays the upcoming themes to be discussed. Each chapter features frequent boxes that review key concepts or provide quantitative data via tables and charts, and concludes with a set of discussion questions, an admirably comprehensive list of citations for further reading, and a summary of useful websites to aid in research. The appendix features a chronology of important dates in European integration, and a useful glossary that covers relevant institutions and actors as well as EU jargon.

Substantively, the content is as expected. Parts I and II of the volume briefly cover various social scientific approaches to studying the EU, the history of its creation, and the roles and responsibilities of its major institutions. Part III focuses on the significant policies of the EU, their supranational characteristics, a detailed discussion of how policies are made, and the democratic elements of the institutions. Part IV covers European expansion, its role as a security actor, and the evolution of foreign policy. The final section turns back to how social science interprets the unique institution of the EU and discusses avenues for future research.



The volume is edited, and so chapters tend to vary on their clarity (especially in writing) and contribution. Notable chapters include a fairly in-depth coverage of the various steps required in developing EU policy, and an assertive defense of the democratic deficit that could provoke interesting discussion in a classroom setting.

This textbook is akin to a very detailed map, rather than a guidebook – its focus is not depth, but rather providing key information and inspiring potential routes to follow. Thus one of the volume's biggest strengths in synthesizing information can in turn be considered its greatest weakness. The information is compartmentalized into so many different pieces that in some chapters the presentation of the content is too divided between the supplementary boxes and the ambitious narrative presented in the main text. Furthermore, while the factual information is well presented, due to space constraints the volume lacks coverage of more theoretical concepts or political analysis.

Yet potentially to compensate, one unique aspect of the textbook is that it encourages outside research and investigation. At the end of each chapter there is an extensive list of references for further reading, and web links to sources mentioned in the text (for example, in the chapter on policymaking and organized interests, the websites of notable think tanks and other formal institutions that represent lobby groups are provided). In addition, for this textbook Oxford University Press has established an Online Resource Centre for that provides teaching and learning materials. While the online site is very simple, it provides a number of potentially useful resources, including an interactive map of Europe, an online flashcard application, lecture slides, and practice multiple-choice questions for each chapter. While these materials are primarily appropriate for the level of an introductory undergraduate or a novice instructor, the development of online resources is a promising addition.

Given its ability to condense key information about the EU in an easy to absorb format plus the detailed reading lists and references provided make this a “go to” book for the beginner or policy-oriented student (which is clearly stated as the volume's goal in the first place). Its role is best served when paired with more theoretical sources on the EU in a comprehensive course on European politics, or as an ideal quick reference guide in courses that only have time to address the EU briefly or in a comparative perspective.

**Alexandra Cirone**  
Columbia University

**Harold James.** *Making the European Monetary Union.* Cambridge: The Belknap Press, 2012.

This study was commissioned in 2008 by the European Central Bank (ECB) and the Bank for International Settlements (BIS) to present an historical review of the institutional files covering the background work, over the period 1964 through 1993, in the institutional and operational framework for the establishment of a common currency regime. The main formal working group under examination was the Committee of Governors of the Central Banks of the Member States of the European Economic Community (CoG), the forerunner of the European Monetary Institute (EMI) established in Frankfurt in 1994.

Harold James, Kelly Professor in European Studies and Professor of History and International Affairs at Princeton University, was given privileged access, under a waiver of the usual 30-year restriction, to ECB and BIS archived materials and in particular the CoG records held at the ECB. In tandem, special access was also granted to a number of national central banks' files. Professor James is a very well-regarded Cambridge University educated historian specializing in financial history and the history of modern Germany.

The primary parts of the text are given over to lengthy but clear and coordinated expositions outlining the major issues and decisions taken by the CoG and other related working groups such as the Delors Committee. While nearly all of these details have been reported in a variety of media, the comprehensive nature of the analysis and the very long period of time covered bring a unity to the historical record focused on the constrained development and evolution of the single currency project. As historical documentation of the primary decision-making process, the presentation clearly offers a well-organized and successful rendition of the relevant facts.

Occasionally the author adds to the record by giving insights into the motivations and strategies undertaken by the primary actors. These highlighted revelations expose the behind the scenes nature of the political-economy environment at work in shaping the legitimate boundaries of the discussion of institutional structures and policy goals.

The central problems examined revolved around complications arising from the international financial power locus built with the U.S. dollar as the centerpiece. After the end of the Bretton Woods area it became increasingly challenging to maintain exchange rate stability vis-a-vis the dollar. Further complications were added by the nature of the centrality of the growing export-led German economy in a more openly integrated set of European product and capital markets.



Most readers will appreciate the time spent detailing the origins of the CoG which grew out of the need to better coordinate the international monetary and payments system within the European Economic Community (EEC). Established under the Treaty of Rome, the EEC came into existence at the beginning of 1958 with a primary agenda built around the development of the Common Market. Significant progress would crucially depend on promoting more liberalized capital flows in an environment of increased exchange rate stability. While the Council of Ministers of the EEC (ECOFIN) shepherded the initial directions in these policy areas, by 1964 the ECOFIN decided to create a more specialized CoG to provide continuity in policy guidance over these domains.

The remaining chapters follow the work of the CoG in developing and implementing the European Monetary System (EMS) and the evolving set of exchange rate regimes including the “currency snake” and the establishment of the Exchange Rate Mechanism. The policy and institutional developments are laid out within the context of the changing nature of international macroeconomic conditions and resulting problematic pressures on interest and exchange rates.

Most readers will be well-prepared for the presentation of the more commonly recognized material describing the work of the Delors Committee and the unfolding of the design steps toward the establishment of the ECB. The book culminates with a detailed examination of the turmoil spun out of the early 1990s EMS crisis and resulting negotiations toward the final draft of the Maastricht Treaty and its ratification process.

In addition to laying out the detailed central historical record of the run up to Economic and Monetary Union (EMU) the book offers a set of important appendices covering stages in the development of the text of the Maastricht Treaty, a comprehensive list of primary institutional actors, and an extensive institutional chronology covering the second half of the twentieth century. In aggregate, the contents will serve as a useful reference book for scholars and students of the historical record of EMU. The details and the general text are sufficiently technical in nature as to require a solid background knowledge of the fundamentals of international financial markets and monetary policy tools and practices.

The book is an exceptional example of the explanatory power from combined insights rendered by professional archival research and reasoned judgments about the motivations and guiding principles of the active agents. The ECB and the BIS have done excellent service in sponsoring these efforts and our knowledge of this important period of monetary history has been much advanced by the author’s tireless efforts.

What is much less useful is the final section titled “The Euro and the Legacy of the Committee of Governors.” The BIS-ECB commission was to cover the period from 1958-1993 but the author could not resist writing a short addendum attempting to offer a number of insights garnered from the historical record to the lingering current euro crisis. The opportunity to attempt to show relevancy to a major current policy event proved an irresistible temptation. The ruminative nature of the conclusion should not detract from the excellent record, during the euro era, of the ECB’s success in operations under severe policy domain constraints. An example would be the clearly successful record of inflation targeting policy. Speculation about how institutions might have performed if given other operating prerogatives and goals, e.g., restructured banking regulatory authority, serves no productive purpose.

**David L. Cleeton**  
Illinois State University

**Catherine Guisan.** *A Political Theory of Identity in European Integration.* Routledge, 2011

The reader of Catherine Guisan’s book needs to take some time to engage with the terminology and the principles of thinking of Hannah Arendt and other contemporary political philosophers. But he gets compensated by an innovative – albeit eclectic – reading of the roots and contents of European political identity and a fine-grained reflection of the principles and motivations for action of actors at different stages of the integration process and their repercussions today. Guisan manages to provide some meat to the bones of the beast...

Starting from the puzzle of how actors that less than a decade before had still fought against each other could decide to put together the resources for their armed forces, Catherine Guisan interprets “speech and deed” of EU initiators. She proposes the introduction of a new branch of EU identity studies analysing the ethical and political practices of the founding actors to get closer to the “founding myth(s) of the European Union”. Guisan points to a striking gap in European political

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philosophy: unlike in the tradition of political theory in the United States, there are only few studies on narratives or self-interpretations of what the myth of 'European reconciliation' means, at least in the breadth proposed in her book. With the help of political theorists such as Arendt, Jaspers, Habermas, Taylor, Ricœur and Berlin she tries to critically derive elements of EU's shared identity from different steps of the integration process starting from the ECSC up to the latest accession negotiations.

Her book is a welcome and timely investigation into the ideational causes of the complex phenomenon: politically, because paradoxically (or not) the European Union gets the Nobel Prize for Peace at a moment in which it is undergoing one of its severest legitimacy crises, and academically, because the majority of other studies on European integration focus mainly on the economic interests of the actors involved.

Drawing on Hannah Arendt's concept of reconciliation as principle of action Guisan proposes a new reading of the Treaty of Paris. For Guisan the idea of reconciliation is not a 'feeling' or emotional motivation external to a 'purely technical' treaty, but instead a political capacity based on hard-headed realism which was built directly into the wordings of the agreements. She identifies five practices which make up this capacity and illustrates them examining discourse and practices of Monnet, Adenauer, De Gasperi and others and having a deepened look at the relevance of shared material interests and the role of the USA as important mediating party in the early integration process. In a second step the book makes an attempt to trace these practices of reconciliation today: in state policies and grassroots initiatives between Kosovo and Serbia and in several attempts to understand the meaning of European integration through books, museums and school projects.

Guisan turns from reconciliation to the affirmation of a common destiny - the second precondition for a lasting peace project. In her understanding early European actors found their common destiny in a shared redefinition of power as action in concert. The early treaties were fruits and symbols of this reconceptualisation – albeit under US military protection. Through interviews and documents she shows that deliberation and persuasion were guiding principles for the negotiations of the EEC treaties. Concluding, the author questions the European Common Foreign and Security Policy and tries to understand how power as action in concert can still be possible today with a multiplication of actors and projects.

The book proceeds from the deepening of the Union to the accession of new member countries. Guisan draws on Charles Taylor and his ideal-concept of recognition as mutual transformation to show how policies such as programmes of economic and social cohesion

have facilitated forms of mutual recognition, while some accession processes – especially the negotiations with Turkey – seem to lack the necessary reciprocity to lead to Taylor's 'higher stage of self-realisation' for all parties. Guisan borrows the concept of 'gift' from Ricœur to explain how events like the tragical earthquakes in Turkey and Greece in 1999 may nevertheless temporarily suspend a blocked process of recognition.

Ultimately, the author turns to the inwards and outwards relationships of the Union today. She uses Habermas' discourse ethics to discuss the question of democratic deficit from the ECSC to the failure of the project of the European Convention. Arendt's reflections on the capacity to look at an issue from other standpoints than just one's own serves her in turn as scheme to examine today's discourses on EU borders and immigration.

The author comes to the conclusion that the lack of analysis and thought about own self-definition(s) is a more fundamental problem for the European Union than the lack of persuasive discourses. In her view this is all the more challenging as the necessity of more direct democracy in the EU will in the future demand more and more pedagogical effort from EU leaders.

Guisan's work is not looking for one-dimensional causes for the process of European integration but a work of memory and explanation. It is a rare attempt to bring together political philosophy with empirical evidence from numerous primary and secondary sources. A multitude of documents and interviews with key actors are analysed with precaution, guiding the reader with ample reflections on the limits of such testimonies and on the strategies of the author to highlight their contradictions.

The book provides an interesting piece to the puzzle of the current identity and legitimacy crisis of the European Union, in which European institutions seem to be deprived not only of material influence and power but also of discursive resources for legitimisation.

**Anja Thomas**, Sciences Po Paris

**Finn Laursen** (ed.). *The EU's Lisbon Treaty: Institutional Choices and Implementation*. Burlington, VT: Ashgate, 2012.

History will note that there would be no honeymoon for the Lisbon Treaty. A less ambitious successor to the failed (though substantively similar) European Constitution, the Treaty would take effect on 1 December 2009 only to be greeted by a stubborn global economic downturn, the Eurozone sovereign debt crisis, and – within a year - the Middle East uprisings. For better or worse, whatever institutional architecture, decision-



making structure, policy tools, and leadership roles the EU would have in place to respond to these challenges would be found in Lisbon. Whether the Treaty would be up to meeting such tasks is a core question this new edited volume seeks to address.

“The Lisbon Treaty,” the book’s introduction notes, “is largely about institutional changes” (p. 3) and the volume’s subtitle, organization, and themes reflect this focus. The work is divided into five parts containing fourteen chapters. In addition to the single-chapter introduction and conclusion penned by the editor (Finn Laursen), each of the remaining parts consists of four chapters; these include institutional choices (administration – Adrian Shout and Sarah Wolff, Common Foreign and Security Policy, or CFSP – Kerstin Radtke, internal security – Sarah Wolff, and economics – Ferran Brunet), institutional actors (the European Parliament – Rik de Ruiter and Christine Neuhold, the President of the European Council – Carlos Closa, the High Representative for Foreign Affairs and Security Policy – Carolin Rieger, and the new European External Action Service, or EEAS – Finn Laursen), and external action (commercial policy – Arne Niemann, development policy – Maurizio Carbone, economic partnership agreements – Timothy M. Shaw, and climate change – Piotr Maciej Kaczyński).

Much of the discussion across the book revolves appropriately around the core innovations of the Treaty found in the new offices of Council President and High Representative and the EEAS diplomatic service. In particular, many contributions consider how these institutions will shape developments in other policy areas – including CFSP, the negotiation of international treaties in climate change and trade policy, and global and regional development efforts – impact the distribution of authority and competence across the Commission, the European Council and Council of Ministers, and the European Parliament, and add, if at all, to the Union’s democratic legitimacy. The end of the old Maastricht pillar structure and the extension of co-decision between the Parliament and the Council for Justice and Home Affairs (JHA) under Lisbon is another emphasis, and the chapter on internal security architecture is among the work’s most effective, successfully blending formal analysis of the Treaty changes in JHA with a consideration of the deeper implications the supranational/intergovernmental debate that has dominated regional integration theory since the 1960s.

While the book is well organized, individual chapters are not particularly well integrated and occasionally (in the case of the respective chapters on the High Representative for Foreign Affairs and the EEAS) cover similar ground. Approaches moreover vary significantly across chapters; some have a significant theoretical dimension (administration and internal security) or make efforts to

test hypotheses on the causes of outcomes reflected in the Treaty (commercial policy), while others are largely reviews of policy developments and Treaty language (economic and development policy) or overviews of the design of new institutions and their initial officeholders (the Council President and High Representative).

The volume’s contributors are to be commended for organizing, writing, and publishing such a comprehensive study so quickly following Lisbon’s adoption. The empirical analysis in the chapters, however, is limited largely to the first year of the Treaty’s implementation and some readers may find that subsequent events – most notably the EU’s response to the Arab uprisings in 2011 and member state rows over Treaty changes involving fiscal reform spawned by the debt crisis – have failed to vindicate the rather salutary views of Lisbon generally expressed by the book’s contributors.

This is a work primarily for European policy and governance specialists. While some chapters are more accessible than others, in general those who lack familiarity with the treaty history of the Community/Union, the particulars of Qualified Majority Voting, co-decision, and the EU legislative process, the complexities of the EU’s multi-level governance structure, and the core approaches in regional integration theory will find much of the book difficult to penetrate. For those researchers, however, who are specialists – and particularly those focused on the communitarization of internal security policy and CFSP – this volume surely qualifies as an important contribution that will figure prominently in assessments of the Lisbon Treaty and broader discussions on European integration and governance in the coming years.

**Gregory Baldi**, Western Illinois University

The EUSA Executive Committee is pleased to announce the online publication of the first EUSA Biennial Conference Special Issue of the *Journal of European Public Policy* (JEPP). This Special Issue includes seven (revised) papers selected by peer review from amongst those nominated by discussants and chairs as among the best presented at 2011 Biennial EUSA conference. The Special Issue can be found at <http://www.tandfonline.com>. The paper version is now available.

We look forward to continuing this collaboration between JEPP and EUSA in the future and expect that 6-8 papers from the 2013 EUSA Conference, May 9-11, 2013, to be held in the Baltimore/Washington DC metro area, will again be selected for publication in a future special JEPP/EUSA issue.



**Claudio M. Radaelli and Fabrizio De Francesco.** *Regulatory Quality in Europe: Concepts, Measures and Policy Processes.* Manchester: Manchester University Press, 2011.

The overall aim of *Regulatory Quality in Europe* is to set out a way of evaluating 'better regulation' and to identify whether it in fact leads to better quality regulation. More specifically, the book focusses upon four tools of better regulation: regulatory impact assessment, consultation, simplification, and regulatory access and transparency. The main outcome of the book is the design of three systems of indicators (or 'gauges of quality' (p20)) which can be used by both the EU and governments as a way of evaluating better regulation. Due to the relative lack of convergence in the indicators used by governments, the authors do not select which should be used, preferring to allow the open method of coordination to work towards uniformity.

One of the key starting points, of the book is that the EU 'better regulation' agenda is to be understood in the same way as any other public policy. It thus can be assessed using the same methodological tools that are applied to any other public policy in terms of its actors, problems, resources, rules of interaction, decision-making structures and outcomes (p5). Better regulation is defined as 'meta-regulation', rather than being assigned any normative value. In this sense better regulation sets out principles and tools that govern the regulatory process. The authors make clear that they are not passing any judgement on better regulation and that they do not equate it with good quality legislation.

The analytical framework proposed for measuring the quality of better regulation is based upon three factors: concepts, indicators, and policy processes. The explanation for this framework is that one cannot design indicators of quality, firstly, without first defining the concepts of better regulation and regulatory quality and, secondly, without considering the policy processes in which they will be used. The book thus suggests a contextualised manner of examining regulatory quality and already looks to its practical application by those involved in policy formulation.

The proposed framework is ambitious since no one definition of quality is selected. Instead, the authors have chosen to 'problematise' the concept and relate it to different stakeholders and to institutional contexts (p23). The authors recognise that a 'one-size-fits-all' approach to indicators of regulatory quality is insufficient in an area such as the EU. A comparative analysis of how governments go about measuring the performance of better regulation policies further sup-

ported by an empirical study (in the form of a questionnaire designed by the authors) demonstrates a lack of convergence across the EU. The results of this study lead the authors to suggest that indicators should be situated in a broader policy of regulatory reform, one that takes on board the specific institutional context in which better regulation operates.

The book's main strength is its avoidance of a *deus ex machina* approach. The full complexity of the European regulatory environment is recognised and taken account of in the proposed analytical framework. This is most notable in that three systems of indicators are proposed in order to fit the divergent regulatory environments of different countries. The first system is an *ex ante* system of objective indicators which can be used by all governments and EU institutions. The indicators do not focus on the specific tools of better regulation, but instead upon the design and existence of a quality checking mechanisms *per se*. The second system is for use by governments with a relatively advanced better regulation tools in place. It provides for checks on the quality of the actual tools of better regulation policy and on the real-world outcome and so the indicators take the form of a series of *ex post* checks. The final system of indicators is intended for use by the Commission and governments with advanced levels of quality assurance. The indicators proposed are for 'external evaluation' or for those outside of the policy process to collect data and review the quality of the policy.

One final point to note is that the book was first published (in hardback version) back in 2007 and since then the European regulatory agenda has moved on. Critically, the better regulation policy has now evolved into the 'smart regulation' policy. The book retains much of its force, however, partly because the tools of better regulation focussed upon have been retained within the smart regulation agenda. The analytical framework proposed should be adaptable to the focus of smart regulation upon the "whole policy cycle - from the design of a piece of legislation, to implementation, enforcement, evaluation, and revision." This suggests the work remains a valuable text for both policy-makers and academics.

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