Explaining Uneven EU Integration Trajectories: A Comparison of the Euro Crisis and the Refugee Crisis

Berthold Rittberger¹, ², Felix Biermann¹, Nina Guérin¹, Stefan Jagdhuber¹, Moritz Weiss¹

¹Ludwig-Maximilians-University
Department of Political Science
Chair for International Relations
Oettingenstr. 67
80538 Munich
Germany

²Corresponding author: berthold.rittberger@gsi.uni-muenchen.de


Abstract

The objective of this contribution is to account for the different integration trajectories that can be observed during two of the most recent governance challenges faced by the European Union (EU). While the euro crisis triggered a veritable integration boost, the refugee crisis has led to calls for reforms, most of which have – to date – not been adopted or implemented. We employ an intergovernmentalist framework and show that differences in member states’ preferences in the two crises ensue from different exposures to negative externalities. Moreover, we attribute the differences in integration outcomes to different situation structures. While the EU’s response to the euro crisis reflects a Chicken game situation, emphasizing both redistributive conflict and joint action, the response to the refugee crisis resembles a Rambo game situation: the states least affected by migratory pressure were satisfied with the status quo, leaving the more affected states aggrieved.

Keywords

EU integration, intergovernmentalism, euro crisis, refugee crisis
Introduction

The euro crisis and the refugee crisis have posed a fundamental challenge to the European Union’s ‘constitutional equilibrium’ (Moravcsik 2005). Within the course of a few years, the European Union (EU) experienced two considerable external shocks, which have caught its member states and institutions off guard. As both crises unfolded, policy-makers realized that the existing regulatory frameworks of the Economic and Monetary Union (EMU) and the Dublin system were inadequate to absorb these shocks.¹ Starting out as a banking crisis across the Atlantic and developing into a sovereign debt crisis in several EU member states, the euro crisis continues to put the stability of the Eurozone at risk. The refugee crisis originated in the war-torn regions of the Middle-East and Africa, triggering migratory movements and an influx of refugees to Europe, which the respective arrival and destination states are still ill-equipped to accommodate. It has led to a de facto breakdown of the EU’s Dublin system regulating the handling of asylum claims and to a (temporary) resurrection of border controls within the Schengen area, effectively suspending the Schengen acquis. The two crisis episodes display stark similarities: both have been triggered by external shocks, which existing institutions and regulatory instruments have been unable to absorb. Both crises have also exposed the limitations of the EU’s problem-solving capacities, and have also led to unprecedented levels of politicization, emboldening the centrifugal forces of populist Euro-scepticism (Schimmelfennig 2014, Hooghe and Marks 2016).

Despite these similar features, we do observe markedly different trajectories with regard to political integration as response to these two external shocks. The euro crisis triggered a veritable integration boost: The newly created European Stability Mechanism (ESM) centralizes financial capacities for fiscal assistance and is accompanied with a more stringent regulatory framework for budgetary consolidation in the member states. Moreover, new institutions and regulatory measures were established to break the sovereign-banking nexus, paving the way towards a European Banking Union. This stands in stark contrast to the refugee crisis, where member states have – to date – largely resisted calls for institutional and regulatory reforms. Instead, we even observe tendencies towards dis-integration, such as the partial and temporary suspension of the Schengen system. An emergency relocation scheme in which EU member states committed themselves to relocate 160.000 refugees from Greece and Italy awaits effective implementation (European Commission 2016c). The Commission’s reform package on the Dublin system that proposes the introduction of a permanent
relocation scheme is highly contested among member states and unlikely to be adopted (EUobserver 2016). In short, there is no agreement on policy reforms and only very limited expansion of centralized capacities at the EU-level (such as the new European Border and Coast Guard) to address the on-going migratory pressures faced in the context of the crisis.

The main objective of this contribution is to explain why these two crises, despite the remarkable similarities on display, have triggered such a divergent set of responses as regards the EU member states’ willingness to push for further political integration, through regulatory reform or the centralization of capacities (Genschel and Jachtenfuchs 2015). While accounts of the reform of the EU’s economic and monetary policy regime as a response to the euro crisis are legion (see, for example, Menz and Smith 2013; Tosun et al. 2014; Ioannou et al. 2015; Jones et al. 2016), we lack an explanation for the different integration outcomes unveiled by the euro and the refugee crisis. This paper is the first to address this puzzle in a systematic, theory-informed fashion. Taking intergovernmentalism as a point of departure, we highlight the differences in integration preferences between EU member states in both crises contexts, as well as the respective preference constellations and bargaining dynamics to account for the variation in integration trajectories (Moravcsik 1998; Schimmelfennig 2015). We show that the preferences of the EU member states to support or oppose further integration predominantly reflect states’ positional characteristics in the context of international interdependence. In the Eurozone crisis, a country’s fiscal position pitted creditor and against debtor countries; in the refugee crisis, the uneven impact of migratory pressure pitted states strongly affected by migration flows against those that remained largely unaffected. We argue that the respective preference constellations result in two very different bargaining situations: a Chicken game constellation in the euro crisis and a suasion game (Martin 1992) or Rambo game (Zürn 1992) situation in the refugee crisis. In the euro crisis, member states faced a dilemma of common aversion. They jointly sought more integration to avoid a ‘common bad’ (the breakdown of the Eurozone), while creditors and debtors still tried to maximize their individual benefit in the context of redistributive bargaining over the precise terms of political integration. In the refugee crisis, member states’ preferences were asymmetrical, since there was no common agreement on a common bad that needed to be jointly averted. The group of states least affected by migratory pressures sought to effectively block the demands for policy and institutional reform expressed by the states, which are most affected by migratory pressure. Whereas in the euro crisis, all member states considered the costs of non-reform to be prohibitive, in the refugee crisis, the states less affected by
migratory pressure were satisfied with the status quo, leaving the affected states aggrieved. Perhaps most surprisingly, and contrary to post-functionalist expectations (Hooghe and Marks 2009), we find that the politicization of neither the euro nor the refugee crisis exercised an independent effect on member states’ decisions for advancing or blocking political integration at the EU-level.

The paper is organized as follows. We first present an intergovernmentalist framework to account for (non-)integration as a response to external crises. Second, we apply this framework to shed light on the integrationist response to the euro crisis, drawing on the extensive body of literature published on the topic in recent years. Third, we provide an original account of the member states’ non-integrationist response to the refugee crisis, contrasting both crisis episodes. The paper concludes by discussing the implications of the analysis.

**Explaining (Non-)integration in Post-crisis Politics**

How can we explain the puzzle posed by the different integration trajectories of two otherwise very similar crises contexts? We start from a basic intergovernmentalist framework (Moravcsik 1998), which assumes that the EU member states’ governments are rational actors and integration outcomes can be attributed to preference constellations and the distribution of relative bargaining power. We opt for intergovernmentalism as our point of departure, since the key political decisions to meet the crises-induced reform demands require joint action, or at least approval, by the EU’s member states. Such a framework captures both the demand side for integration, highlighting national preferences shaped by international interdependence, as well as the supply side, which attributes integration outcomes to preference constellations and bargaining power.

Our intergovernmentalist framework can be considered as an integration sequence. As illustrated in Figure 1, the starting point is marked by an external shock, which imposes potential costs on member states and generates negative externalities. States respond to these externalities by proposing political integration, if they assume that the gains of joint action exceed those of maintaining the status quo. Subsequently, we thus focus on the preferences of the respective EU member state governments since they hold the key to advance or block integration (Moravcsik 1998). International interdependence is a central condition or driver
of integration. When policy decisions or outcomes in one state (such as Greece’s looming sovereign default) produce negative externalities for other states (a Europe-wide banking crisis due to European bank exposure to Greece’s debt), they are likely to prefer a coordinated solution (jointly providing financial assistance) to an uncoordinated one (letting Greece default on its debt). Interdependence varies across issues as well as across states. This results in divergent preferences for integration, since states may have differential capacities to absorb the externalities produced by a policy decision or an external shock. The ability of states to do so, depends on states’ positional characteristics, e.g. on their economic structure (competitiveness of domestic industries), fiscal capacities (level of debt) or exposure to financial risks (competitiveness of the banking sector), to name a few examples. In sum, states exposed to costs of international interdependence will prefer more policy coordination, and hence political integration, to the status quo or even disintegration.\(^2\)

**Figure 1.** Analytical framework

To explain whether and how demand for integration translates into integration outcomes, we turn to preference constellations and inter-state bargaining dynamics. From an intergovernmentalist perspective, preference constellations and relative bargaining power determine whether the demand for cooperation can be met and the gains of cooperation are
distributed. We argue that the likelihood of political integration depends on two main factors: First, agreement on integration depends on the type of of collective action problem encountered by actors (see Zürn 1992; Hasenclever et al. 1997). While states can overcome both collaboration problems (e.g. dilemmas of common interest) and coordination problems (e.g. dilemmas of common aversions) through joint agreement and by establishing international institutions (Stein 1983), integration is more difficult to come about in situations where the preferences of actors for joint action are not symmetrical, such as in suasion games (Martin 1992; Zürn 1992). Second, patterns of asymmetric interdependence may also result in power asymmetries, which affect states’ relative bargaining power and hence the distribution of gains from cooperation: the lower the costs of non-agreement for one actor, the more likely she can impose the preferred outcome on other actors. As we will demonstrate below, the two crises differ markedly in terms of member states’ preference constellation, type of collective action problem, and relative bargaining power, thereby producing two very different trajectories for political integration.

While we have thus far assumed that member state governments’ preferences for integration and bargaining dynamics are shaped by patterns of (asymmetric) international interdependence, recent work on the euro crisis has suggested that the euro crisis should be a prima candidate to constitute a ‘postfunctional moment’ (Schimmelfennig 2014), characterized by high levels of political salience, mass protest against austerity measures, as well as pronounced polarization among political parties and EU member states over the appropriate measures to tackle the crisis. Politicization – post-functionalists argue – can hence curtail or block demands for political integration based on international interdependence (Schimmelfennig et al. 2015). According to Hooghe and Marks (2009), politicization of EU policy-making implies that the permissive consensus, which has enabled political elites to progress with further integration, has been replaced by an elite-constraining dissensus. They argue that, over the past decades, European integration has become increasingly politicized as EU issues have come to exercise profound domestic effects not only on the politics of economic redistribution, but they have also given rise to identity-politics and questions of cultural demarcation, often-times fuelled by Euro-sceptic parties (Hooghe and Marks 2016). Politicization differs across countries and policy issues: Differences in popular or party-based Euro-scepticism across countries may constrain interdependence-based demand for political integration. Moreover, issues that can be framed to challenge or undermine national sovereignty or national identity are more likely to be
politicized, and hence contested in those countries with a high share of exclusive national identities (Hooghe and Marks 2009; Schimmelfennig et al. 2015, 9)

In our comparative analysis of the integration trajectory of the euro and refugee crises, we will apply the intergovernmentalist framework developed above, while also taking into account possible ‘obstacles’ to integration, as highlighted by post-functionalism. We expect that the likelihood that EU member states opt for joint action in response to external shocks depends on the externalities induced by international interdependence and the bargaining constellation, which ensues. Moreover, steps to further political integration can be curbed when policies are highly politicized. In the following paragraphs, we apply our framework to account for the respective outcomes of euro and refugee crisis politics. Moreover, the framework assists us to tease out the similarities and differences of the two crises, to solve the paper’s initial puzzle of similar crisis contexts with different integration trajectories.

**Taking Stock: Explaining Institutional Responses to the Euro Crisis**

The euro crisis has given fiscal and financial integration in the EU a veritable boost (Vilpisauskas 2013; Ioannou et al. 2015). First, the rapid establishment of the European Financial Stability Facility (EFSF) in May 2010, succeeded by the ESM in September 2012 centralized lending capacities and, in turn, imposed consolidation measures on indebted countries in the exchange for bonds guaranteed by solvent Eurozone members. This strengthened the preventive arm of EMU via the Six-Pack in December 2011, the Two-Pack in March 2013, and the Fiscal Compact in January 2013. Second, member states took further integrationist steps by introducing a more stringent regulatory framework for Eurozone member states (Buti and Carnot 2012; Laffan and Schlosser 2016). National budgets are now controlled ex-ante and member states violating the balanced budget rule can be sanctioned quasi-automatically (Schimmelfennig 2014, 326). Finally, the EU has started to harmonize banking standards and thus paved the way towards a banking union (De Rynck 2016). Drawing on the rich literature on the integration dynamics triggered by the euro crisis (Menz and Smith 2013; Niemann and Ioannou 2015; Schimmelfennig 2014, 2015; Jones et al. 2016), we apply our intergovernmentalist framework to explain the move towards further political integration.
An External Shock and Inadequate Institutions

As the banking crisis spilled from the United States to Europe, prompting a sovereign debt crisis in several Eurozone countries, this external shock threatened to undermine not only the stability of the common currency, but also the fiscal survival of some of its member states. The imminent insolvency of the so-called GIIPS states (i.e. Greece, Ireland, Italy, Portugal, Spain) was considered to put the Eurozone as a whole at risk. The detrimental implications of looming financial speculation against the Euro and the prospect of a meltdown of the banking sector generated a demand among the Eurozone members that the Euro and membership of the Eurozone had to be maintained (Verdun 2015, 224).

There is widespread agreement in the literature that prior monetary integration induced a joint crisis response (Niemann and Ioannou 2015; Schimmelfennig 2014). Although the flaws of a monetary union without fiscal integration were well known from the outset (Jones et al. 2016, 1017), once member states confronted the banking and sovereign debt crisis, the EMU’s design deficits had to be addressed. Its original framework was considered insufficient to absorb crisis related pressures, since it provided inadequate institutional mechanisms and fiscal backstop capacities to bail out Euro members and ensure fiscal consolidation (Buti and Carnot 2012). At the same time, governments of the Eurozone countries subscribed to the notion of the Euro’s failure as prohibitively costly and thus shared the view that ‘integration would produce lower losses than stagnation or even disintegration’ (Schimmelfennig 2015, 181). Dis-integration – the break-up of the Eurozone – was seen by all of its members as the costliest of all possible outcomes, i.e. a ‘common bad’.

Preference Constellation: Creditors against Debtors

Any joint crisis response was, however, poised to generate distributive conflict among the Eurozone members. Whereas creditor countries were only willing to agree on fiscal support measures when combined with strict conditionality and tight intergovernmental control, debtor countries favoured centralized fiscal capacities, unconditional financial support, and gradual economic reforms sensitive to domestic socio-economic contexts. As a result, the indebted South promoted mutualized adjustment, whereas the creditors of the North preferred adjustment costs to be borne by the debtor states. This cleavage thus mirrored their fiscal positions (Schimmelfennig 2015, 183). While the euro crisis definitely carried the potential
as catalyst for politicization – as it ‘has arguably become more domestically salient, controversial and politicized than ever before’ (Schimmelfennig 2014, 323) – it has been demonstrated that politicization did not leave a strong imprint on the preference constellation. Most crucially, public opinion and mass politics throughout the crisis suggested that general support for the Euro remained high among the member states. Citizens of Eurozone countries tended to follow a utility-based approach to integration, rather than giving way to national identity concerns (Hobolt and Wratil 2015, 252). In a nutshell, member state preferences for integration followed patterns of fiscal interdependence and Eurozone governments were able to forge ahead with further integration given the widespread support for preserving the Euro and the domestic isolation of reform-sceptic political forces.

*Intergovernmental Bargaining: Joint Action and Redistributive Conflict*

The bargaining constellation between creditors and debtors has been described as a mixed-motive situation corresponding to a *Chicken* game (Schimmelfennig 2015, 184). While all Eurozone governments were determined to avoid the breakdown of the Euro, every government also had an incentive to mask commitments in the hope that others would make the first move and accept – either mutualized or national – adjustment costs in order to avoid mutual disaster, i.e. the break-up of the Eurozone. Facing lower costs of non-agreement, the creditor countries had the better hand. Their alliance – led by Germany – was in the position to impose its austerity agenda on debtor countries (Bulmer 2014). The latter would risk fiscal and economic collapse in the case of non-agreement, while the creditor countries would have faced comparatively lower adjustment costs (Schimmelfennig 2015, 185). The power imbalance between creditors and debtors got even more pronounced during the course of the crisis, since the potential fiscal and economic costs of ‘Grexit’ for the creditor countries diminished over time (Frankfurter Allgemeine Zeitung 2015). Germany, in particular, was able to condition financial assistance on fiscal discipline backed up by supranational monitoring mechanisms. The supervision and sanctioning regime entailed in the Six-pack, Two-Pack and Fiscal Compact clearly bear the hallmarks of Germany’s preference for austerity measures (Bulmer 2014).

Based on the existing literature, our account highlights that the demand for further integration was induced by an external shock – the banking and sovereign debt crisis. Eurozone members
were confronted with financial markets threatening to further destabilize the common currency. Prior integration in the context of EMU, however, provoked Eurozone member states to opt for a cooperative approach, given the prohibitive costs of unilateral options and the spectre of dis-integration. The terms of the joint response were highly contested, given their uneven distributional implications: Creditors preferred national adjustments, debtors preferred the mutualisation of debt. Given the prospect of declining costs of ‘Grexit’, the creditor countries – led by Germany – were able to impose the terms of integration on the creditor countries. Although one could have expected constraints on integration arising from politicization, most governments ultimately succeeded in isolating their response to the crisis from domestic, Euro-sceptic opposition (Schimmelfennig 2014). As a result, we witness further political integration as a response to the euro crisis, the terms of which were largely in favour of the creditor countries.

Exploring Unchartered Territory: Why is there no Integration in the Refugee Crisis?

In contrast to the Eurozone crisis, the refugee crisis has, thus far, not triggered a comparable integrationist dynamic. To date, most efforts by individual member states and the Commission to press for joint solutions and further integration have fallen flat. What is more, we can observe a growing acceptance of national unilateralism, which has already threatened to damage one of the most prestigious EU projects, the Schengen system.

During the course of 2015, the Commission tabled three policy packages setting out emergency measures as well as proposals for further integration (May, September, December 2015). All suggestions either await political decision or lack implementation on the ground. First, following a Commission proposal the Council adopted a temporary, but mandatory quota-based scheme to relocate a total of 160,000 asylum seekers from Italy and Greece to other EU countries (European Commission 2015a). Yet, member state compliance is lacklustre at best. Second, the Commission proposed a Regulation establishing a permanent relocation mechanism under the Dublin system (European Commission 2016d). If adopted, each member state would be assigned a fixed and obligatory quota of asylum seekers, monitored by the Commission. Yet, political agreement is currently beyond reach (EUobserver 2016; Politico 2016a). Third, in the borders package from December 2015 the Commission proposed to establish a European Border and Coast Guard in order to support
member states in securing the EU’s external border (European Commission 2015a). Governments have watered down this proposal, leaving decisions in the hands of the Council and the particular member state in need of help rather than giving the Commission the power to enact such a measure (Politico 2016b).

An External Shock and Inadequate Institutions

EU member states were facing an external shock in the refugee crisis, which challenged the functioning of the Dublin and Schengen systems. The severe deterioration of the security situation in Syria and also Libya starting in 2014 triggered an unparalleled influx of asylum seekers to Europe. In 2015, 1.3 million refugees applied for asylum in the EU (Eurostat 2016a). The administrative capacities of member states situated at the EU’s external border – of Italy and Greece in particular – were quickly overstretched resulting from the large numbers of refugees arriving at their territory. Once these countries essentially ceased to comply with their legal obligation to register incoming asylum seekers, let alone conduct orderly asylum processes (The Wall Street Journal 2015; The Telegraph 2015), the repercussions were quickly felt across the EU, albeit unevenly. Still, the severity of the situation required an effective response. The question was, however, whether unilateral or joint action would be chosen.

Similar to the Eurozone members’ resolve to uphold the advantages of a stable common currency in the euro crisis, EU governments were aware that the breakdown of the Common European Asylum System (CEAS) would also put strains on the Schengen system. Member states generally preferred the preservation of the ‘collective good’ of a functioning CEAS and Schengen Area to unilateral action or even dis-integration. For instance, Germany’s Chancellor Angela Merkel said that ‘everything must be done to preserve Schengen’ (Press and Information Office of the Federal Government 2016). This was echoed by the Visegrad Group (a coalition formed by Poland, Hungary, the Czech Republic and Slovakia), which contended that the maintenance of Schengen is ‘the key strategic objective’ (Visegrad Group 2016).

At the same time the existing institutional and regulatory framework provided by the Dublin system and CEAS rules could not absorb the external shock. Under the CEAS rules, the influx of refugees overburdened some member states’ national asylum systems, while others
were hardly affected. The existing institutional structure created an incentive for those member states most affected by the external shock to shun compliance with existing rules. *De jure*, the Dublin system shifts the responsibility to register refugees and to examine their asylum application to the state of first entry into the EU to prevent an uncontrolled influx of refugees, secondary movements and asylum shopping. As such it is an important component of the Schengen system guaranteeing the free internal movement of people. When Italy and Greece stopped implementing the Dublin system, but unilaterally applied a ‘wave-through’ approach, unregistered migrants could transit to Northern European destination states (European Council 2016a). Consequently, these states faced unusually high numbers of asylum applications. As a response, Northern destination states unilaterally decided to temporarily reintroduce border controls to put pressure on first arrival states to comply with their obligations under the Dublin system, setting off a beggar-thy-neighbour dynamic. When Germany reintroduced temporary controls on the German-Austrian border in September 2015, this caused a domino effect unleashing a wave of unilateral border closings and daily caps for asylum seekers throughout Europe (European Commission 2016b). As a result, even though the *de jure* status quo is still in place, *de facto* the EU witnessed a (partial) suspension of the Dublin and Schengen systems. Thus, despite EU member states’ joint preferences to preserve Schengen and a common asylum system, they were unable to agree on a joint response.

Our account of member state preference constellations and bargaining dynamics focuses on the events unfolding in the spring of 2016, when Schengen and Dublin had effectively broken down, and a group of EU member states struggled with a significant influx of refugees. We will demonstrate in the ensuing section that governments most burdened by migratory pressure had a strong preference for a reform of the existing institutions, while states less affected by migratory pressures preferred to continuation of the status quo.

*Preference Constellation: Affected vs. Non-Affected States*

Patterns of asymmetric interdependence in the form of varying migratory pressures are here considered as externalities shaping member states’ preferences for integration. States that are confronted with high migratory pressure are expected to push for institutional and regulatory reforms, e.g. by demanding a fairer burden-sharing mechanism. States that experience a low
influx of migrants should display strong preferences for keeping the legal status quo and its effective implementation. Moreover, one would expect politicization to be pronounced in the context of the refugee crisis, since it enables Euro-sceptic parties mobilize nativist identity frames, opposing possible mass immigration and European solutions for burden-sharing.

To capture variation of member states’ preferences for integration in the refugee crisis, we distinguish between two groups of states according to their positional characteristics, in this case their exposure to migratory pressure. The first set of states is the group of affected states (AS) that experienced high migratory pressure by virtue of being either a first arrival state or a destination state. The former are typically located at Schengen’s external border and are thus the main entry point into the EU for refugees. Destination states are those, which many migrants seek as their final destination and where they intend to claim asylum. The second set of states, the non-affected states (NAS), is exposed to low migratory pressure. NAS comprise states that are either harder to reach by migrants due to their geographical position off the main migration routes, or which are located on transit routes and face only few asylum claims. In Table 1 we display the number of cases in which asylum was claimed in 2015. We consider migratory pressure to be high if the number of asylum claims is significant in relation to their overall population size, which enables us to differentiate affected from non-affected states. The positions taken by member states with regard to the Council of the European Union’s proposal for a permanent burden-sharing mechanism (Council of the European Union 2016) strongly validate this indicator. All NAS voiced general reservations on the substance of the proposal or, in the case of Ireland and the United Kingdom, have not yet voiced if they intend to draw their ‘opt-in’ opportunity. Most of the AS, with the notable exceptions of France and Belgium, expressed no reservations or merely a scrutiny reservation on the proposal. Since Denmark has opted out of Justice and Home Affairs, it will not be subject to the amended regulation.
Table 1. Number of asylum applicants per member state in 2015

<table>
<thead>
<tr>
<th>State</th>
<th>Affected States (AS)</th>
<th>Non-Affected States (NAS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of asylum</td>
<td>Number of accepted</td>
</tr>
<tr>
<td></td>
<td>applicants per 100,000 citizens</td>
<td>asylum claims per 100,000 citizens</td>
</tr>
<tr>
<td>Sweden</td>
<td>1664</td>
<td>330</td>
</tr>
<tr>
<td>Austria</td>
<td>1025</td>
<td>175</td>
</tr>
<tr>
<td>Finland</td>
<td>597</td>
<td>31</td>
</tr>
<tr>
<td>Germany</td>
<td>588</td>
<td>174</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>447</td>
<td>33</td>
</tr>
<tr>
<td>Malta</td>
<td>430</td>
<td>291</td>
</tr>
<tr>
<td>Belgium</td>
<td>397</td>
<td>93</td>
</tr>
<tr>
<td>Denmark</td>
<td>369</td>
<td>175</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>284</td>
<td>78</td>
</tr>
<tr>
<td>Cyprus</td>
<td>267</td>
<td>187</td>
</tr>
<tr>
<td>Netherlands</td>
<td>265</td>
<td>97</td>
</tr>
<tr>
<td>Italy</td>
<td>139</td>
<td>49</td>
</tr>
<tr>
<td>Greece</td>
<td>121</td>
<td>37</td>
</tr>
<tr>
<td>France</td>
<td>114</td>
<td>31</td>
</tr>
<tr>
<td>Ireland</td>
<td>69</td>
<td>7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>59</td>
<td>21</td>
</tr>
<tr>
<td>Poland</td>
<td>38</td>
<td>2</td>
</tr>
<tr>
<td>Spain</td>
<td>29</td>
<td>2</td>
</tr>
<tr>
<td>Estonia</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Latvia</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Slovenia</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>Lithuania</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Portugal</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Croatia</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Romania</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Slovakia</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Hungary*</td>
<td>1754</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Eurostat 2016a; Eurostat 2016b; Council of the European Union 2016; authors’ compilation.

*Note: We do not consider Hungary in the group of AS, despite a significant number of asylum claims, since Hungary rejects almost all of them. We hence consider the de facto migration pressure in Hungary to be low, as very few refugees actually get to stay in the country. The number of accepted asylum claims in relation to the overall population size is displayed in the middle column."
Following the temporary suspension of the Schengen system, the group of AS has expressed a preference for an integrative response, i.e. a reform of the existing CEAS and the introduction of a fairer system of burden-sharing. Ioannis Kasoulides, the Foreign Minister from Cyprus, said: ‘The EU Med Group are the front-line states and we all share the view that unilateral actions cannot be a solution to this crisis’ (US News 2016). Similarly, Germany’s Minister of Foreign Affairs, Frank-Walter Steinmeier claimed that ‘[i]t is unacceptable for European countries to overcome their problems by putting another European partner in a state of need’ (To Bhma 2016).

The group of NAS, however, were opposing any integrative response, such as a mandatory relocation scheme, given their limited exposure to migratory pressure. Their ultimate objective was to remain non-affected and shun the potential negative externalities of the inability of AS to administer the refugee inflows. Robert Fico, Prime Minister of Slovakia stated that ‘Angela Merkel's refugee policy [of welcoming refugees to Germany] was a mistake’, and thus it was deplorable that she was now ‘forcing others to pay for it’ (Deutsche Welle 2016b). This was not merely rhetoric, but found its expression in the explicit opposition to any attempts to share the burden among member states. In this sense, the Czech Republic, Poland, Hungary and Slovakia rejected the European Commission’s proposal on a temporary relocation mechanism and, after they had been outvoted in the Council, filed a lawsuit against it (Politico 2015).

Table 2. Positional preferences during the refugee crisis (as of March 2016)

<table>
<thead>
<tr>
<th>Affected states (AS)</th>
<th>Non-affected states (NAS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First arrival states</strong>&lt;br&gt; Cyprus, Greece, Italy, Malta.</td>
<td>Croatia, Czech Republic, Estonia, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, United Kingdom.</td>
</tr>
<tr>
<td><strong>Destination states</strong>&lt;br&gt; Austria, Belgium, Bulgaria, Denmark, Germany, Finland, France, Luxembourg, Netherlands, Sweden.</td>
<td></td>
</tr>
<tr>
<td><strong>Migratory pressure</strong>&lt;br&gt; High</td>
<td><strong>Low</strong></td>
</tr>
<tr>
<td><strong>Preference</strong>&lt;br&gt; More integration (burden-sharing)</td>
<td><strong>De jure Status Quo</strong></td>
</tr>
</tbody>
</table>

In sum, the refugee crisis revealed asymmetric interdependence among EU member states, pitting reform-oriented AS against status quo-oriented NAS (see Table 2). The extent of
migratory pressure, i.e. the negative externalities arising from interdependence, thus induced a conflictual preference constellation.

Even though the refugee crisis proved to be an increasingly politicized issue, the political pressures emanating from heightened politicization did not contradict or counteract the positional preferences derived from migratory pressure. To the contrary, the existing conflictual preference constellation was further intensified by different degrees of politicization within the two groups of AS and NAS. Strong politicization of immigration in the group of NAS reinforced the respective governments’ opposition to further integration and burden-sharing. In the group of AS, support for anti-immigrant positions was less prevalent (Der Standard 2016), although – as the crisis progressed – citizens (and political parties) showed a growing receptiveness for such attitudes. Still, similar to the euro crisis, populist anti-immigration beliefs could be contained by governing coalitions. In the most affected states, such as Germany and Sweden, ‘the moral imperative of welcoming and protecting refugees had strong popular support’ (Carnegie Europe 2015) in the beginning of the crisis. Yet, the welcoming attitude (Willkommenskultur) towards refugees faded throughout the crisis, when migratory pressure further intensified (The Independent 2015). Nevertheless, the politicization of the immigration issue did not undermine the stance of the group of AS towards further integration through burden-sharing, quite to the contrary: Since institutional and regulatory reform – a fairer burden-sharing mechanism – also implied an easing of migratory pressure, demands voiced from the anti-immigration camp did not run counter, but reinforced the position of AS to press for a reform of the Dublin system.

Intergovernmental Bargaining: The Status quo Prevails

The preference constellation between AS and NAS in the refugee crisis is best captured by a suasion (Martin 1992, 777-8; Scharpf 1997, 78-9) or Rambo game (Zürn 1992, 209-18; Hasenclever et al. 1997, 50-3). A Rambo game is a situation structure, in which ‘one actor has a dominant strategy to defect, while the other must cooperate in order to avoid an even worse outcome’ (Hasenclever et al. 1997, 51). In contrast to the conflict between creditors and debtors in the euro crisis, which was stylized as a Chicken game constellation, a Rambo game has no ‘common bad’ that actors seek to jointly avoid. Whereas mutual defection is the worst outcome for the disadvantaged player, it constitutes the Rambo’s, i.e. the advantaged
player’s, second best result. This enables the Rambo to impose its first best option, freeriding, on the disadvantaged player.\textsuperscript{4}

We contend that this game provides an apt description of the bargaining situation between AS and NAS in the spring of 2016,\textsuperscript{5} which has four potential outcomes. First, the situation whereby Schengen and Dublin are temporarily suspended, unilateral policies prevail and migratory pressure is shifted almost completely onto the AS, can be characterized as an outcome of mutual defection (DD), or what we call the \textit{de facto} status quo. While the NAS do not accept any form of burden-sharing, the AS are responsible for the temporary suspension of Schengen as they unilaterally decide to reintroduce border controls in order to control the large influx of refugees. Second, mutual cooperation (CC) would imply an integrationist response to the current crisis, such as a reform of the Dublin system by introducing a permanent burden-sharing mechanism as well as the reimplementation of Schengen (European Commission 2016d). Third, there is the hypothetical possibility of temporary solidarity (DC), with the NAS voluntarily accepting refugees to support the AS but no overhaul of the system towards permanent burden-sharing.\textsuperscript{6} Finally, AS can return to the implementation of the \textit{de jure} status quo (CD), i.e. they can decide to comply with the Dublin system and Schengen, without any burden-sharing and further reform (see Figure 2).

\textbf{Figure 2.} Rambo game between affected and non-affected states (as of March 2016)

<table>
<thead>
<tr>
<th>Affected states (AS)</th>
<th>Non-affected states (NAS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cooperation (C)</td>
</tr>
<tr>
<td>Cooperation (C)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Defection (D)</td>
<td>Temporary solidarity (i.e. voluntary burden-sharing, Schengen suspended)</td>
</tr>
</tbody>
</table>

The AS’s most preferred outcome is an integrationist response (CC), e.g. the reform of the Dublin system in order to preserve the benefits of Dublin/Schengen rules and to reduce migratory pressure through a burden-sharing mechanism. If further integration is, however, not obtainable, the AS’s second best option would be a display of temporary solidarity on the part of the NAS, which would reduce migratory pressure in the short term (DC). In order to
secure the benefits of prior integration and given the lack of solidarity demonstrated by NAS, the AS’ third-best outcome would be to take unilateral measures towards the re-implementation of Dublin and Schengen – even if this implies that the burden of migratory pressure is to be borne by them (CD). Consequently, their worst outcome would be to maintain the *de facto* status quo in which migratory pressure is high, Dublin is not reformed and Schengen suspended (DD). In other words, the preference order of the AS in Figure 2 can be described as [CC >DC> CD> DD].

In contrast, the NAS oppose the AS’s preference for an integrationist response and for a burden-sharing mechanism. The NAS optimal outcome is thus the *de jure* status quo, which would provide for the reintroduction of and effective compliance with Schengen and Dublin, and prevent mandatory redistributive measures (CD). This would enable NAS to minimize migratory pressure and to capture the benefits provided by the Dublin/Schengen system. Even though they share an interest in the functioning of the Dublin/Schengen system, they value the absence of a burden-sharing mechanism higher, preferring the *de facto* status quo (DD) over both integration (CC) and temporary solidarity (DC). Due to widespread anti-immigrant resentment among their citizenry, some NAS expressed an unwillingness to accept the slightest increase of refugee numbers on their territory. Thus, the NAS preference order, reflected in Figure 2, can be depicted as [CD> DD >DC> CC]. The Nash equilibrium in this preference constellation is the *de jure* status quo (CD). The AS anticipate the NAS’ (i.e. the *Rambo’s*), unwillingness to cooperate and in order to avoid their worst outcome, the suspension of Dublin/Schengen, the AS unilaterally carry the crisis-induced burden.

The events unfolding in 2016 confirm our expectation that EU member states would shift to and settle for the *de jure* status quo. Two major efforts that have been taken towards a crisis solution can be interpreted as significant steps towards the cementing of the Nash equilibrium (CD): (i) the EU-Turkey agreement to end the irregular migration flow from Turkey (18 March 2016); (ii) the common position paper by Germany and France on the future of Europe demonstrating AS’ willingness to proceed with a burden-sharing mechanism on their own (27 June 2016). First, the EU-Turkey agreement highlights that the AS could not count on cooperation from the NAS, and hence felt compelled to reach out for external support. The agreement was adopted to reduce migratory pressure at the Schengen borders and to introduce a burden-sharing mechanism through the backdoor: The agreement contains a section on the relocation of 72,000 Syrian asylum seekers from Turkey to the EU in order to
reduce illegal migration from Turkey to Greece (European Council 2016b). Yet, in view of the NAS’ strong opposition towards the temporary emergency response mechanism, mandatory quotas were not feasible. Therefore, the relocation to EU member states takes place on a voluntary basis (Deutsche Welle 2016a). In accordance with the logic of the Rambo game, NAS have received merely 80 refugees by 30 June 2016. This implies that, at present, almost exclusively AS have accepted Syrian refugees from Turkey under the EU-Turkey agreement (European Commission 2016a). NAS apparently saw no need to move towards a more cooperative outcome.

Second, in June 2016, the foreign affairs ministers from France and Germany reaffirmed that the ‘Dublin system has to be improved to deal with exceptional circumstances by means of a permanent and binding mechanism which foresees burden-sharing among all member states’. However, as a response to NAS’ continued reluctance to take part in a relocation scheme and to receive (additional) refugees on their territory, they added that ‘if necessary, Germany and France stand ready to proceed on this matter with a group of like-minded partners’ (Ayrault and Steinmeier 2016). This demonstrates once more the impediment faced by the AS: While the affected states prefer a more integrative solution (i.e. the reform of the Dublin system), they are forced to settle for their third best option, the mere re-implementation of Dublin and Schengen. The AS will continue to unilaterally deal with incoming refugees, while NAS will free-ride on the benefits provided by the status quo.

**Conclusion**

The aim of this paper was to explain why the euro crisis prompted further integration whereas the refugee crisis lacked an integrationist crisis response. We argued that different patterns of interdependence and preference constellations account for the diverging outcomes in the two crises. Both crises were induced by an external shock unmasking the deficiencies in the original institutional set-up. Equally, in both crises member states had an overarching preference to preserve the benefits provided by prior integration, i.e. the Eurozone and the common asylum system together with Schengen. Yet, while during the euro crisis all member states aimed at preventing a common bad, the break-up of the Eurozone, in the refugee crisis the group of non-affected – and thus more powerful – states could effectively block demands for an integrationist response. Both crises were highly politicized in domestic political
debate. In the euro crisis, Eurozone member states managed to effectively contain Eurosceptic views, and even though anti-immigrant resentment was widespread in domestic debates on the refugee crisis, politicization in this instance actually reinforced existing divisions between affected and non-affected states.

What are the implications of our comparative crisis account from the purview of EU integration theories? First, the conditions and mechanisms associated with intergovernmentalism offer a plausible account of the different crisis responses. While external events triggered a demand for joint action, different patterns of interdependence generated uneven demands for further integration. In the euro crisis, all Eurozone countries pushed for an integrationist response since they were anxious about the consequences of a Eurozone break-up. In the context of the refugee crisis, it was the uneven exposure to migratory pressure, which pitted reform-minded governments against advocates of the status quo, and hence rendered a joint response unlikely. In sync with the expectations of intergovernmentalism, the resulting patterns of asymmetric interdependence map onto the relative bargaining power of states in both crises. Creditor countries carry the day in the euro crisis since their sensitivity to failure (non-agreement) proved to be lower than that of the debtor countries. In the refugee crisis – to date – states not affected by migratory pressure (facing low costs of non-agreement), either effectively blocked or decided not to contribute to any attempt of the affected states to introduce a burden-sharing mechanism.

What about the explanatory leverage of post-functionalism in the two crisis contexts? Even though both crises display high levels of politicization, we found that in the case of the refugee crisis, its impact was to reinforce existing divisions among the member states based on exogenously defined (material) preferences. Hence, even though immigration-sceptic attitudes had a mobilizing effect on national publics, political parties and hence a potentially constraining effect on government policy, politicization did not counter-act states’ positional preferences, based on their respective fiscal position (euro crisis) and the level of migratory pressure (refugee crisis). What could be argued, however, is that any strategies by the AS to induce the NAS to consent to more integration (e.g. burden-sharing) through issue-linkages or side payments, are likely to meet resistance, the more politicized and mobilized anti-immigration forces are in the non-affected states. In this sense, politicization could still prove to be a formidable obstacle to further integration as the crisis continues. Conversely, attempts at integration through capacity-building, such as the creation of a European Border Guard,
seem less politicized than the proposal for mandatory burden-sharing to fairly distribute asylum seekers.
Notes

1 The Dublin system is a regulatory framework determining which member state is in charge of applications by people seeking asylum in the EU. In a nutshell, these rules establish that asylum applications have to be examined by the state through which the asylum seeker first entered the EU. The Dublin system is based on three legislative texts: The Dublin Convention of 15.06.1990, the regulation No. 343/2003 (‘Dublin II’), and the regulation No. 604/2013 (‘Dublin III’).

2 Given space constraints, we cannot systematically trace the origins of member state preferences in the two crises contexts, as we would do in a liberal intergovernmentalist analysis of preference formation. We hence employ positional characteristics of states, i.e., their economic or socio-economic vulnerabilities in patterns of interdependence, to assess their preferences for policy coordination.

3 It is not yet possible to tell how many of the asylum claims made during the refugee crisis will eventually be rejected. The turnaround for decisions on asylum claims ranges from several months to several years, depending on the member state. Hence, for most asylum claims made in 2015 the decision is still pending. Data on the number of accepted asylum claims in 2015 therefore might refer to asylum claims made before the refugee crisis started and can therefore only be seen as an approximation of a state’s general tendency with regard to the acceptance of asylum claims.

4 Imagine a situation of cleaning the kitchen in a flat shared by two students. Student A appreciates a clean kitchen for which s/he is also ready to contribute. Thus s/he prefers a cooperative solution whereby both students contribute to provide for the collective good of a clean kitchen. The worst outcome for student A would be if no one cleaned the kitchen. Even student B, the Rambo, generally prefers a clean kitchen over a dirty one. Yet, s/he has an aversion against cleaning and hence prefers a dirty kitchen over doing the cleaning him/herself. Thus, the best outcome for student B would be a situation in which the kitchen is exclusively cleaned by student A. This is the Nash-equilibrium: As student A knows that student B has no incentive to clean, the only way to avoid the worst outcome – a dirty kitchen – is to clean the kitchen alone (Zürn 1992, 209-10).

5 We assume two behavioral options for each player. Cooperation implies open borders (i.e., Schengen) and, at the same time, support for the Commission proposal to establish a burden-
sharing mechanism (i.e. reform of the Dublin system). In contrast, defection refers to the unilateral closure of borders and, at the same time, opposition to a burden-sharing mechanism.

6 At least theoretically, AS could try to use Schengen as a bargaining chip in order to ‘persuade’ NAS to engage in burden-sharing. However, as both NAS and AS have a preference for open borders and NAS are in a strong bargaining position concerning migratory pressure, this threat is not credible. Thus, the trade-off between border-closure and burden-sharing is not to be seen as constituting a zero-sum but rather, as we argue, a Rambo situation.

7 The following NAS so far received refugees (number of refugees received in parentheses): Latvia (6), Lithuania (5), Portugal (12), Spain (57).
References


Politico. 2016b. Interior ministers sign off on EU coast guard: Service will be able to draw on at least 1,500 experts that can be deployed in under three days, 21 April, http://www.politico.eu/article/interior-ministers-sign-off-on-eu-coast-guard-december-mediterranean-sea/ (accessed 13 June 2016).


