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# When nothing happens: Why crises (sometimes) do *not* lead to more European integration

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#### **Abstract**

This paper explains variation in the timing of European integration in response to crises. Although crises generally serve as triggers or outright *causes* of European integration, EU member states sometimes do *not* respond to crises with 'more Europe' right away. Based on liberal intergovernmentalism and insights from the public policy literature, the present paper argues that two mechanisms account for such delays: first, high domestic ratification costs of integration compared to unilateral action in response to that threat, and second, comparably low interdependence among EU member states in face of a transboundary threat. If one - or both - of these mechanisms are active, Council and European Council decisions on integration in the affected policy area get delayed - even if the EU is confronted with a severe transboundary threat. In order to test these theoretical claims, a process-tracing analysis of three severe crises that affected the EU since Maastricht is conducted: the BSE Crisis, the Post-9/11 Security Crisis, and the Euro Crisis. The results broadly corroborate the theoretical claims. While the immediate presence of both factors during the Euro Crisis facilitated the quick adoption of decisions that deepened integration in fiscal and economic policy between 2010 and 2012, their (partial) absence caused long delays of European integration in the other two cases. With these findings, the paper contributes to our understanding of the mechanisms of European integration, particularly in crisis times.

"When it comes to managing crises at the European level, the first victim may very well be the will to cooperate." (Grönvall 2001: 170)

#### 1. Introduction

Crises have constantly served as triggers or outright *causes* of European integration (Kirt 2001: 25ff, Stone Sweet 2004: 236f, Lelieveldt/Princen 2011: 280-282, Kaelble 2012, 2013, Schmitter 2012: 39, Bomberg/Peterson/Corbett 2012: 217). Yet, despite the high salience that European Union (EU)<sup>2</sup> member states usually attach to crisis resolution, they sometimes adopt integration decisions in response to crises with considerable delays. Swift decision-making on primary and secondary law changes in response to the Euro Crisis, when major reforms were adopted within two years after the crisis outbreak (Schimmelfennig 2015b), contrast sharply with delayed integration in other cases such as the BSE Crisis, when it took governments seven years to reform the EU's food safety policy (Ansell/Vogel 2006).

What accounts for this puzzling variation in the timing of integration in response to crises? The regional integration literature does not deal with this aspect of the crisisintegration link so far. In fact, neither traditional (realist) intergovernmentalists (Hoffmann 1966, Milward 1992, Grieco 1995, Mattli 1999), nor Andrew Moravcsik's (1993, 1998) liberal intergovernmentalist framework systematically investigate crises as causal factors for integration at all. Supranationalists (Stone Sweet/Sandholtz 1997, Stone Sweet 2004) and constructivists (e.g. Checkel 1999, 2005, Christiansen/Jørgensen/Wiener 1999, Jabko 2006) do not explicitly theorize the crisisintegration link, either. The three major contemporary integration theories correspondingly fail to provide sufficient explanations for integration processes and outcomes in the recent past, notably during the Euro Crisis and the Refugee Crisis (Saurugger 2016, Börzel/Risse 2017). Theorizing the causal mechanisms of integration

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Despite the growing scholarly interest in European disintegration (Vollard 2008, 2014, Schmitter

Being aware of the differences between the European Economic Community (EEC), the European Communities (EC), and the European Union (EU), this paper uses the latter term throughout the manuscript to signify the European polity that was founded 1957 with the Rome treaties.

in response to urgent 'transboundary' threats (Boin/Rhinard 2008, Ansell/Boin/Keller 2010) thus represents a relevant, important research topic.

The present paper seeks to shed light on the timing aspect of the crisis-integration link.<sup>3</sup> Based on liberal intergovernmentalism (Moravcsik 1993, 1998) and insights into crises decision-making from the public policy literature (Kingdon 2003[1984], Boin et al. 2005), the second section of this paper presents two alternative mechanisms that explain integration delays in crisis times. The first mechanisms focuses on the *ratification costs* of integration for national governments compared to unilateral (national) action in response to a transboundary threat, while the second relates to the *perceived interdependence* among EU member states in face of that threat.

The first mechanism holds that integration delays become more likely with an increasing number of EU member states in which governing parties and the general public prefer unilateral action over European integration in response to a crisis. Reelection seeking governments aim to avoid high domestic ratification costs of integration decisions and opt for unilateral action instead, regardless of whether this provides a sustainable fix of the unveiled problems in the affected policy area. Regarding the latter mechanism, it is argued that integration delays become more likely if interdependence in the affected policy area is comparably low. This condition is met when member state governments possess enough resources to shield their countries from the negative consequences of a crisis (without being able to resolve it), while transnational actors lack the power resources to push for effective crisis resolution through deeper integration.

The third section outlines why and how the method of theory-testing process tracing (Beach/Pedersen 2013) is used to assess these theoretical claims in three empirical cases: the BSE Crisis, the Post-9/11 Security Crisis, and the Euro Crisis. This analysis, which mainly draws upon written primary and secondary sources, is carried out in the subsequent fourth section. It broadly corroborates the theoretical claims: While the presence of both factors during the Euro Crisis facilitated the quick adoption of ground-breaking reforms in the EU's fiscal and economic policy, their (partial) absence caused

A comprehensive account of the causal mechanisms that link crises to integration is provided in Degner (2017).

A comprehensive account of the causal mechanisms that link crises to integration is provided in

long integration delays in the aftermath of the BSE Crisis and the Post-9/11 Crisis. The final section concludes.

#### 2. Theory

This paper focuses on a specific aspect of integration in response to crises, namely the *timing* of legislative decisions that enhance the EU's competencies in the affected policy area. European integration is thus understood as the *product* of the political process in which political representatives of previously sovereign European nation-states voluntarily and repeatedly decide to 'pool' or 'delegate' parts of their individual national sovereignty in selected policy areas (Moravcsik 1993: 479). These decisions take the form of either primary or secondary law changes. By contrast, the paper's definition of European integration neither includes changing 'soft law', nor the implementation of primary and secondary law changes on the member state level, nor the actual compliance of individual actors with the new rules.

Situations of 'crisis' are in turn defined as *states* in which EU member states face 1) a publicly perceived threat for material or immaterial values, 2) a sense of urgency to resolve the threat, and 3) an unusually high degree of uncertainty about both a) the exact nature of the threat and b) the consequences of the decisions taken to counter it (Hermann 1969, Rosenthal/Charles/'t Hart 1989, Boin et al. 2005). Situation that are characterized by these three elements immediately raise public attention for underlying problems in the affected policy area (Kingdon 2003[1984]: 94).

The causal relationship between crises and European integration is perceived as 'mechanismic' (Bunge 1964, 1997, Hedström/Ylikoski 2010). Causal mechanisms are complex theoretical systems that link causes and outcomes through the interaction of its parts. They can be defined in the following way:

"Mechanisms consist of entities (with their properties) and the activities that these entities engage in, either by themselves or in concert with other entities. These activities bring about change, and the type of change brought about depends on the properties of the entities and how the entities are organized spatially and temporally" (Hedström 2005, as cited by Hedström/Ylikoski 2010: 50f).

Based on liberal intergovernmentalism (Moravcsik 1993, 1998) and insights from the public policy literature (Kingdon 2003[1984], Boin et al. 2005), this paper assumes that national governments are the most relevant entities, or actor, when the EU is confronted with a crisis. Their reaction is rational (Moravcsik 1998: 23) in the sense that they engage in interstate negotiations to achieve an integration outcome that maximizes their (country's) interest.

Crises generally "represent the hour of the executive" (Lodge/Wegrich 2012: 1), during which governments respond to an urgent public demand for leadership and quick action (Rosenthal/Charles/'t Hart 1989: 18, Peters 2011). Supranational institutions are even less influential in this context than they usually are (cf. Moravcsik/Schimmelfennig 2009, Bickerton/Hodson/Puetter 2014). If member states are affected by a transboundary threat, their governments aggregate the interests of well-organized and powerful interests into a 'national preference' on the EU's response to it (Moravcsik 1993: 483). Subsequently, member state governments engage in interstate bargaining on primary and/or secondary law changes within the Council or the European Council in order to realize these preferences. European integration in response to crises thus reflects both the preference constellation and the distribution of bargaining power among governments.

Given that national governments attach high salience to crisis resolution (Downs 1957, Hermann 1969: 416, Kingdon 2003[1984]: 94ff, Boin/Ekengren/Rhinard 2013), the null hypothesis of this paper expects the quick adoption of integration decisions after the outbreak of a severe transboundary crisis. Member states hold a strong preference for joint action in response to a looming transboundary threat that affects them collectively, even if the degree of affection varies and conflicts on the distribution of integration costs and benefits turn interstate bargaining into a chicken game (cf. Schimmelfennig 2015b). Immense problem pressure, high salience and a shared interest in collective action to resolve the threat yet results in quick decision-making on deeper integration in the affected policy area.

An observable implication of this claim would be the adoption of secondary or primary law within the usual temporal boundaries of EU legislation: between 2004 and 2009, it took the EU between 2 and 48 months to adopt secondary legislation in the first reading,

with an average of 15 months.<sup>4</sup> Taking a conservative stance, the present study considers all major integration decisions on which member states formally agree within 30 months after the outbreak of a crisis as 'quickly adopted'.

H0: If the EU is confronted with a severe transboundary crisis, member state governments quickly adopt decisions that deepen European integration in the affected policy area.

Why is integration in response to transboundary crises sometimes delayed? The following paragraphs develop two causal mechanisms that account for variation in the timing of integration in response to crises (see Table 1).

Table 1: Explaining the Timing of European Integration in Response to Crises

		M1: Ratification costs of deeper integration		
		High	Low	
M2: Perceived interdependence	High	Delayed Integration	Quick integration	
	Low	Delayed integration	Delayed Integration	

Source: own depiction

The first mechanism (M1) that accounts for integration delays in crisis times is related to the domestic ratification costs that member state governments have to bear when agreeing on EU policy changes. These costs largely depend on the formal and informal ratification power of domestic actors, e.g. national parliaments, as well as on public opinion, which is widely considered as a key element to explain governmental preferences in crisis times (cf. Barton 1969, Birkland, Boin/'t Hart 2003, Boin et al. 2005: 75ff, Boin/Rhinard 2008: 16).

Although national parliaments and the general public have only limited formal influence on the contents of primary and secondary EU law changes (Moravcsik 1993: 515, Lelieveldt/Princen 2011: 83), their informal ratification power on the domestic level can still be high (Pahre 2004, cf. also Schneider/Cederman 1994). Depending on the gravity of parliamentary opposition, especially from governing parties, the pursuit of contested proposals may even destabilize the government as a whole. Similarly destabilizing

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Cf. <a href="http://www.ey.com/Publication/vwLUAssets/EY\_Guide\_to\_EU\_legislative\_process/\$FILE/EU%20\_legislative\_process.pdf">http://www.ey.com/Publication/vwLUAssets/EY\_Guide\_to\_EU\_legislative\_process/\$FILE/EU%20\_legislative\_process.pdf</a> (accessed 28.04.2017).

effects can occur when governments face stark public opposition towards a policy proposal (cf. Boin/Rhinard 2008: 16).

Rational, re-election seeking governments are therefore likely to use their (formal or informal) veto power to delay integration decisions until the corresponding proposals match the preferences of the major governing parties in parliament and do not run counter to public opinion. This expectation corresponds to scholarly arguments on the political economy of reforms: "Though failure may be necessary to realize the need for change, this change need not *occur* in times of crisis, but my be postponed till more favourable times" (Drazen/Easterly 2001: 131, e.i.O.).

In order to corroborate the presence and working of this mechanism, we should observe governments to oppose further integration in the affected policy area in internal or public communication with reference to parliamentary opposition and/or public opinion.

# H1: The higher the domestic ratification costs of integration in response to crises, the more likely integration delays become.

But even if the domestic ratification costs of integration are low across the EU, integration delays may occur if the perceived interdependence among EU member states in the affected policy area is comparably low (M2).<sup>5</sup> This condition is met when member state governments possess enough resources to shield their countries from the negative consequences of a crisis (without being able to resolve it), while potentially affected transnational interests lack the power resources to effectively influence national preference formation (Moravcsik 1998). For instance, well-organized financial market actors may exert much greater influence than unemployed workers when their respective interests are affected during a transboundary economic crisis. In times of a public health crisis, multinational producers of agro-chemical products or pharmaceuticals have greater chances to push integration than dispersed consumers across EU member states.

When national governments do not derive much utility from deeper integration and transnational interest groups remain weak, governments are susceptible for lobbying

If interdependence were completely absent, a present crisis would not be 'transboundary' in nature and would thus not affect the EU as a whole.

activities of proponents of the integration status quo. Such activities, as Olson (1982) argues, slow down decision-making processes and delay policy change even if it was necessary and/or in the general public interest.

Observable implications of these claims include the availability and actual usage of domestic resources by member state governments in response to a given transboundary threat, as well as the presence of affected, yet weak transboundary interests.

# H2: The lower the degree of interdependence among member states in view of a transboundary threat, the more likely integration delays become.

#### 3. Methods, Case Selection, and Data

Causal mechanisms are by definition theoretical constructs. The present paper uses the method of 'theory-testing process tracing' (Beach/Pedersen 2013) to trace the observable implications of the theoretical claims in the empirical world. This method represents the most adequate approach for a systematic, theory-guided in-depth investigation of the key actors, their preferences, and actions in EU decision-making on European integration (Schimmelfennig 2015a: 100).

As process tracing is a resource- and space-consuming endeavor, the empirical investigation in this paper link will be performed in the framework of a small-n study. In order to enhance the external validity of the findings, the application of Gerring's (2007) 'diverse case' selection strategy appears especially useful (cf. Schimmelfennig 2015a: 105). The study correspondingly selects three major crises that posed severe threats to EU member states and caused European integration, but display variance with regard to the timing of the corresponding decisions: the BSE Crisis 1996-2001, the Post-9/11 Crisis 2001-2005, and the Euro Crisis 2010-2013. The latter crisis quickly resulted in reforms of the EU's fiscal and economic policy (Schimmelfennig 2015b). In the former two cases, by contrast, reforms of the EU's public health policy (Ansell/Vogel 2006) and its security policy (Argomaniez 2009, 2010) were marked by considerable delays, respectively.

The diversity in the timing of integration is, however, not correlated with the severity of the respective crises. While the Euro Crisis indeed represents the most severe crisis in the EU's history (Schimmelfennig 2015b: 177), the transboundary threat of terrorism, which lies at the heart of the Post-9/11 Security Crisis, was the biggest security

challenge to the EU prior to the outbreak of the recent Refugee Crisis (Boin/Ekengren/Rhinard 2013: 25ff). The BSE Crisis finally represents the most prominent incident of the "food scares era" around the year 2000 (Loeber/Hajer/Levidow 2011: 149) and can arguably be regarded the most severe health crisis in the history of the EU (Butler 1997: 6, Boin/Ekengren/Rhinard 2013: 104). The crisis notably almost led to the ousting of the European Commission through a motion of no confidence in the European Parliament<sup>6</sup> (the Commission indeed resigned later, but because of a corruption scandal).

Table 2 provides an overview on the presence or absence of the respective mechanisms in the three empirical cases. While the first mechanism (M1) is present in the case of the BSE Crisis, the second mechanism (M2) can be found in the case of the Post-9/11 Crisis. Neither of the two mechanisms is present in the Euro Crisis case, turning it into a negative case with regard to the theory. In line with Schimmelfennig's (2015a) guidelines for 'efficient process tracing', the subsequent section puts a strong focus on the observable implications developed above, instead of delivering full accounts of the decision-making processes in the three cases.

Table 2: The Timing of European Integration in Response to Crises 1996-2016

	M1: Ratification costs of deeper integration	M2: Perceived interdependence	Outcome
BSE Crisis	Low	Low (until 2000)	Delayed integration
9/11 Crisis	High	High	Delayed integration
Euro Crisis	Low	High	Quick integration

Source: own depiction

Concerning data sources, the present paper mainly bases its arguments on primary sources such as official governmental documents, European Council conclusions, and documents by domestic actors, e.g. press releases. Secondary sources, especially quality newspaper articles and specialized online newspapers like Euractiv.com will be used as well. Beyond that, secondary academic literature will serve as a further data source, as well as for triangulation purposes (cf. Marks 2007).

<sup>6</sup> See <a href="http://www.politico.eu/article/meps-split-over-vote-of-no-confidence-in-commission/">http://www.politico.eu/article/meps-split-over-vote-of-no-confidence-in-commission/</a> (accessed 28.04.2017).

#### 4. Empirical Analysis

This section provides an empirical analysis of the functioning of the two theoretical causal mechanisms that explain integration delays in response to crisis.

4.1 The BSE Crisis and Delayed Integration in EU Food Safety and Public Health Policy

The BSE Crisis unfolded when British Health Minister Dorrell indicated on 20 March 1996 that BSE (bovine spongiform encephalopathy), a fatal neuro-degenerative disease in cattle, and a new variant of the human Creutzfeld-Jacob disease (vCJD) were directly linked (van Zwanenberg/Millstone 2005: 199).

Deeper integration in the policy area of food safety and public health immediately became a salient issue in the political debate after the outbreak of the BSE Crisis. Yet, between 1996 and 2000, the preferences of member state governments were heavily influenced by the fact that BSE was first and foremost perceived as a British problem that could sufficiently be dealt with the ban on British cattle and beef evoked in March 1996 (Krapohl/Zureck 2006: 11). The fierce opposition of well-organized farmers' associations against the introduction of harmonized European rules at that time had a strong influence on governmental positions, particularly in France and Germany (see also Milzow 2012: 33ff). By contrast, the interests of consumers, which included a demand for harmonious regulation and supervision of the food chain, were too dispersed.

In result, integration in the EU's food safety and public health policy got delayed. While the European Commission considerably changed its approach to risk regulation and important reforms of the Comitology system were introduced in 1997 and 1998 (Vos 2000), major deepening in EU food safety and public health policy did not occur before the perception of interdependence among EU member states in view of the BSE threat changed during the year 2000, when BSE broke out in native French and German cattle. The governments of the two largest continental economies subsequently discarded the proposals of the status quo oriented domestic agriculture associations, and fostered integration corresponding to proposals put forward by consumer protection associations and the European institutions instead. The growing importance of consumer interests is highlighted by the following quotation of German Chancellor Schröder, who stated on 11 January 2001 that he would still take the position of

agricultural associations seriously, but that consumer interests would "from now on be given priority".<sup>7</sup>

This shift in the perception of the threat is also mirrored in interstate bargaining on the resolution of the BSE Crisis. While the Council did not adopt decisions that represent major acts of European integration between 1996 and 2000 because of the status quo orientation of most EU member states in that time period (cf. Mayer 2004: 24), changing governmental preferences fostered the adoption of deeper integration in the affected policy areas afterwards.

The ultimate adoption of the General Food Law and the introduction of the EFSA on 28 January 2002, almost seven years after the outbreak of the BSE crisis, finally increased supranational discretion over food safety policy and health policy: "For the first time, the notion of foodstuff was defined by Community law and included agricultural products. Unification of food legislation thus became irreversible" (Clergeau 2005: 129).

### 4.2 The Post-9/11 Crisis and Delayed Integration in EU Anti-Terrorism Policy

The terrorist attacks in New York and Washington on 11 September 2001 (often termed 9/11) triggered a security crisis during which Western societies perceived (Islamic) terrorism as an urgent threat. The literature correspondingly describes this transboundary t threat as the biggest security challenge in the EU's history (before the outbreak of the recent Refugee Crisis). While terrorism in the EU was widely perceived and treated as "a rather abstract and diffuse entity" (Den Boer/Monar 2002: 24) before 9/11, the attacks exposed the EU's institutional weaknesses in a "brutal" way (Hill 2004: 144).

EU member states consequently deepened integration in the area of (internal and external) security policy, turning the Union into an internationally accepted and respected "agent of a collective international European response" to security threats (Monar 2012, see also Argomaniez 2010). In sum, "almost 50 policy outputs – each encompassing an extra number of more targeted initiatives" (Argomaniez 2010: 5) have been adopted in response to the crisis.

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<sup>&</sup>lt;sup>7</sup> SZ, 12.01.2001, p. 1, and FAZ, 12.01.2001, p. 1.

Yet, most of the decisions came with considerable delays. Apart from the European Arrest Warrant and the measures included in the Framework Decision on combating terrorism, which were adopted on 11 December 2001 and 13 June 2002 and had already been under negotiation before the crisis outbreak, respectively, the more significant integration decisions – which actually tackled the terrorist threat – were adopted in 2004 and 2005. These include the European Council's Declaration on Combating Terrorism of 25 March 2004, "its most important pronouncement" in the context of the Post-9/11 Security Crisis (Argomaniez 2009: 158), the adoption of the Hague Programme on Justice and Home Affairs, the Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing on 26 October 2005, and the EU 'Counter Terrorism Strategy' that the Council adopted on 1 December 2005. This decision marks the end of the "the key formative period" of the EU's counter-terrorism policy (Bossong 2013: 126, see also Argomaniez 2009) – almost 4 years after the 9/11 attacks.

The reason for this considerable delay lies in the high ratification costs that important governments faced in the initial period after the outbreak of the crisis. Despite the great time pressure to react to the apparent threat of terrorism (Knelangen 2011: 511) and the member states' desire to make a "symbolic statement and demonstrate their commitment to fight international terrorism", the British and French governments, unlike the German or Spanish ones, were therefore quite reluctant to deepen European integration in areas related to counter-terrorism. Germany had already promoted further integration in JHA in general during its Council presidency in 1999, and the Spanish government had supported joint European action to fight the issue of terrorism already since the mid-1990s, which for instance led to intensive lobbying efforts to include terrorism in the task profile of Europol (Argomaniez 2009: 154). However, despite the Fraco-British St. Malo Decleration of December 1998 that fostered European cooperation in *external* security policy (Leuffen/Rittberger/Schimmelfennig 2013: 194ff), further integration in *internal* security policy, particularly Justice and Home Affairs, remained a sensitive issue in the domestic political debates in both countries.

In order to reconcile the member states' willingness to give a strong and convincing answer to the terrorist threat on the one hand and the British and French reluctance to transfer substantial competencies in counter-terrorism to the EU level, several "badly drafted ad-hoc decisions" (Den Boer 2003: 189) were taken in late 2001 and early 2002 that did not provide the EU with the actually necessary competencies and resources to fight terrorism effectively. This was later, in spring 2004, criticized by Javier Solana, the EU's high representative for the common foreign and security policy (Knelangen 2011: 516).

The British and French calculations, which centered on high domestic ratification costs, changed only after the Madrid and London terrorist attacks in 2004 and 2005, respectively (Knelangen 2011: 515f). Growing public support for European solutions decreased the expected ratification costs of further integration in this policy area, so that substantive deepening in the area of security policy ultimately became feasible (Argomaniez 2009).

#### 4.3 The Euro Crisis and Quick Integration in the EU's Fiscal and Economic Policy

After the outbreak of the Greek sovereign debt crisis in late 2009 (Featherstone 2011), the European Council emphasized the European dimension of that crisis for the first time on 11 February 2010 (European Council 2010). This indicates the starting point of the Euro Crisis, the most severe fiscal and economic crisis the EU ever faced (Copelovitch/Frieden/Walter 2016: 1).

During the Euro Crisis, fears of sovereign default in southern Europe, notably Greece, Spain, Portugal, Cyprus, and Italy, and a potentially resulting breakup of the whole Euro area caused quick integration in the EU's fiscal and economic policy, as well as in the area of financial market regulation and supervision. Three months after the outbreak of the crisis, the EU already set up a temporary fiscal emergency mechanism, the EFSF, that provided Euro area member states in need with up to 500 billion Euro in fiscal support (Gocaj/Meunier 2013). On 30 January 2012, two years after the outbreak of the crisis, the European Council finally agreed to turn this mechanism into a permanent intergovernmental institution.<sup>8</sup> A few months earlier, in November 2011, member state governments had already agreed on the so-called 'Six-Pack' on economic governance, which was later complemented by the so-called 'Two-Pack' in March 2013.<sup>9</sup> While the European Council did not formally agree on the details of the Banking Union before

<sup>8</sup> Cf. <a href="http://europa.eu/rapid/press-release\_SPEECH-12-49\_en.htm">.

<sup>9</sup> Cf. <a href="http://www.consilium.europa.eu/uedocs/cms\_data/docs/pressdata/en/ecofin/137077.pdf">http://www.consilium.europa.eu/uedocs/cms\_data/docs/pressdata/en/ecofin/137077.pdf</a>

December 2012<sup>10</sup>, and thus outside the 30 months period this paper considers to imply 'quick adoption', member state governments had already found principle agreement on this reform in June 2012, 28 months after the crisis outbreak (Howarth/Quaglia 2013). Important reasons for the subsequent delay in the adoption of this reform were political conflicts between the European Parliament and the Council, as well as the technically complexity of the reform.

By contrast, neither the first nor the second theoretical mechanism was active during the Euro Crisis. First, almost from the beginning of the crisis (cf. Degner 2016), member state governments considered the domestic ratification costs of the integration steps discussed as above as comparably less costly than unilateral action. For instance, both the German government and the Greek government – the most important donor and the most important beneficiary of fiscal aid during the Euro Crisis – agreed on the various reform measures, despite the considerable public and political opposition against "too much austerity" (Greece) or "too much redistribution" (Degner/Leuffen 2016). Second, all Euro area member states perceived a strong interdependence in face of the transboundary threat, and even non-Euro countries like the UK accepted the German Chancellor's dictum "If the Euro fails, Europe fails" and demanded further integration in the Euro area (without being involved themselves).<sup>11</sup>

#### 5. Conclusions

The present paper explains integration delays in response to severe crises with two alternative liberal intergovernmentalist causal mechanisms. The first mechanism, which centres on high domestic ratification costs of integration for governments, explains delayed integration in the EU's counter-terrorism policy during the Post-9/11 Security crisis. In two important countries, the United Kingdom and France, the general public opposed the transfer of competencies in the sensible field of Justice and Home Affairs until the terrorist attacks in Madrid 2004 and London 2005 revealed that unilateral action did not suffice to tackle the transboundary threat. The second mechanisms, which focuses on the perceived interdependence among EU member states, in turn explains

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<sup>&</sup>lt;sup>10</sup> See <a href="https://www.consilium.europa.eu/uedocs/cms\_data/docs/pressdata/en/ec/134353.pdf">https://www.consilium.europa.eu/uedocs/cms\_data/docs/pressdata/en/ec/134353.pdf</a> (accessed 28.04.2017).

<sup>&</sup>lt;sup>11</sup> See <a href="https://www.gov.uk/government/speeches/eu-speech-at-bloomberg">https://www.gov.uk/government/speeches/eu-speech-at-bloomberg</a> (accessed 28.04.2017).

why integration in response to the BSE Crisis got delayed. Before late 2000, when BSE was detected in native French and German cattle, no decisive reforms in the EU's food safety and public health policy took place. Until then, well-organized farmers associations were successful in defending the integration status quo despite divering consumer interests for reforms. The negative case of the Euro Crisis reveals that in perceived interdependence actually matters for the quick adoption of reforms, as do considerations about ratification costs of integration compared to unilateral action.

With these findings, the present paper adds to the ongoing debate on the mechanisms of integration in response to crises. Future research should apply the theory on further relevant cases of (delayed) integration in response to crises, notably the recent Refugee Crisis, which has not resulted in major deepening in the affected policy area of asylum and migration policy so far. Statements of Eastern European governments that refer to the crisis as "a German problem" particularly suggest that a lacking perception of interdependence among EU member states might explain the prevalence of the integration status in this case.

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<sup>&</sup>lt;sup>12</sup> See <a href="http://www.bbc.com/news/world-europe-34136823">http://www.bbc.com/news/world-europe-34136823</a> (accessed 28.04.2017).

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