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We are in the final stages of our upcoming conference in Boston, March 5-7, 2015. We have an excellent set of panels that reflect our continued efforts to strengthen EUSA, and lift our research beyond area studies and drawing in scholars from different disciplines and fields. Our keynote speaker is Thomas Piketty, Professor at the Paris School of Economics and author of Capital in the 21st Century. Piketty will speak on “Inequality in Europe and What the EU Could Do About It.” We also have a number of roundtables featuring discussions about the future of the EU and Europe. Lady Catherine Ashton will also be on a roundtable with Professors Peter Katzenstein, Kathleen McNamara, and Brian Rathbun as they seek to understand the role of the transatlantic relationship in addressing global challenges.

Our EUSA lifetime achievement award will be given to James A. Caporaso, Professor at the University of Washington, and a former Chair of EUSA (1995-1997). We will also award prizes for Best Book, Best Dissertation and Best Paper at the conference. Our thanks to Craig Parsons, University of Oregon and Nicolas Jabko, Johns Hopkins University who have played a critical role in putting together an ambitious program. We are also continuing our relationship with the Journal of European Public Policy for the third time. Discussants on panels are asked to nominate best papers for consideration which will then go through a review process to select a set of papers for a special JEPPE/EUSA issue.

We are again grateful to the Editors of the Journal of Common Market Studies for their support of a reception at EUSA along with other sponsors including the European Commission, European Parliament, College of Europe and Northeastern University. Those interested in different interest group sections are welcome to attend the meetings and network with their respective colleagues interested in similar topics and issues. We also welcome EUSA members to the two receptions on Thursday and Friday at the end of the panel sessions. Our election resulted in four new members that will join the Executive Committee in March 2015. Congratulations to Frederic Merand, Nanette Neuwahl, Abe Newman and Waltraud Schelkie. We are sure they will continue efforts to strengthen the association, both in terms of academic research activities, and policy-relevant research, that simultaneously engages policymakers in the work of EUSA. Our continued thanks are due to EUSA members who serve in multiple capacities in assisting our organization.

We have a number of book reviews in this issue. We would like to let our members know that we plan on increasing our on-line presence and strengthening the value of our website for members in the coming months. In the works are plans to also work with europeausa blog to strengthen our ties with legal research and activities as well as an effort to create a comprehensive list of working papers that have emerged from various collaborative research projects. Increasing our social media presence allows us more flexibility to provide information on both Europe and European Union events and activities, enhance networking and collaborate in support of the creative research. We would like to highlight the recent EUSA Political Economy Interest Section Newsletter https://eustudies.org/assets/files/pecon_newsletters_Newsletter-December-2014.pdf

Finally, we are pleased to announce that the next conference will be in May 4-6, 2017 in Miami Florida.

Michelle Egan
EUSA Executive Committee Chair

EUSA Public Policy Interest Section Essay

TTIP: Why Can’t the EU and US Reach an Agreement on Genetically Modified Organisms? 
Carolyn M. Dudek

The Transatlantic Trade and Investment Partnership (TTIP) is meant to promote economic growth on both sides of the Atlantic and greater trade between the world’s largest trading partners. Although the intended goals of an agreement are laudable, completion of an agreement may prove to be quite difficult. One policy area that is highly charged and could put a wrench in the works is the controversy over genetically modified organisms (GMOs). As Vogel (2012) points out, GMOs stand as the most “economically significant” and divergent policies between the US and EU regarding food and agricultural policy. The US is the world’s largest producer of GMOs and US corporations hold most patents on GMO proprietary seeds. On the other hand, the EU held a twelve year de facto moratorium on the cultivation of GMOs and has the world’s slowest process for approving GMO imports (EuropaBio 2011). Since the creation of GMOs, the US and EU’s policies have diverged considerably and it is unclear whether there can be any convergence within the agreement. Why is there such divergence and what factors may inhibit a more far reaching agreement regarding GMO trade?

Major factors shaping the negotiating position on each side of the pond include: 1) the differing evolution of a regulatory framework, 2) the influence of public opinion and economic interests, and 3) governmental institutional structures that impact regulatory policy. Setting the groundwork for a GMO regulatory framework, the US ultimately opted for a preventative approach, whereas the EU adopted a precautionary one. A preventative approach examines the actual risk, whereas the precautionary approach emphasizes probable risk. In addition, the US decided not to regulate the process of GMOs, but rather the product itself. The belief is that a product created with traditional methods, versus a product from genetic modification, are the same; thus, the process utilized to arrive at the finished product is irrelevant. Therefore, genetically modified (GM) and traditional products are substantially equivalent. In contrast, the EU determined that there was something fundamentally different about the process and that the process making a GMO mattered and needed to be regulated. The result of these different regulatory approaches and cultures set the groundwork for the trade dispute that would follow.

Since the EU deemed GMOs to be regulated differently than their traditional counterparts, the EU created separate regulations for GMOs; whereas, the US did not. Instead, in the US, regulations applied to traditional non-GM foods are used for GMOs as well. As a result of the EU’s regulatory approach, one of the fundamental pieces of EU legislation governing GMOs has caused a rift in GMO trade. The Directive on Deliberate Release into the Environment of GMOs (2001/18) was created to ensure human health and environmental safety with the introduction of GMOs (European Parliament and Council 2001). In particular, the legislation lays out the use of the precautionary principle in order to ensure safety as well as the option of a “safeguard” clause. The safeguard clause enables member states to temporarily stop the production or sale of a GMO if they have additional information determining a GMO to be a hazard to human health or the environment (European Parliament and Council 2001). Six member states have applied the “safeguard clause”: Austria, France, Greece, Hungary, Germany, and Luxembourg.

In 2006 the US, Argentina and Canada brought a case before the WTO in response to the application of the safeguard clause and slow processing of applications for GMO imports. The WTO found the EU in violation of the WTO’s Sanitary and Phytosanitary (SPS) Agreement, which is based on the Codex Alimentarius (Codex), created in 1963 by the World Health Organization and the Food and Agriculture Organization. The Codex was created to “harmonize international food standards, guidelines and codes of practice to protect the health of the consumers and ensure fair practices in the food trade,” which became an international dialogue and “Codex Alimentarius – International Food Standards” 2013).

The result of the WTO case was that the EU’s de facto moratorium on GMO cultivation, application delays and the safeguard clause’s lack of “sufficient scientific evidence” was a violation of WTO SPS standards (European Rapid Press Release 2010; World Trade Organization 2008). The WTO case put pressure on the European Commission to speed up approval of imported GMO products. Even Commission President Jose Manuel Barroso has tasked the Commission to support legislation to allow GMOs as long as they do not present a health or safety risk and noting that science should dictate the decision, in accordance with the WTO’s finding (European Commission 2010). It is important to note that the WTO’s agreement on SPS has
Food and Biotechnology, 2007, p. 4). Moreover, the US is dependent upon GMOs. For example, in South Dakota another major distinction between the US and EU is rather recent and has still not translated into policy, but to no avail. US GMO and food producers utilizing GMOs believe that Europe’s mandatory GMO labeling serves as a barrier to trade. However, a more recent public opinion poll regarding GMOs demonstrates that public attitudes may be shifting in the US. In a recent New York Times Poll conducted in January 2013, 75% of Americans were concerned about GMOs in their food (Kopicki 2013). In 2006 a Pew Research poll found that 34% of Americans felt that foods containing GMOs should be labeled (Mistler 2014). At the time of this writing, it seems that 93% of Americans felt that foods containing GMOs should be labeled (Kopicki 2013). This public opinion shift in the US is rather recent and has still not translated into policy, whereas in Europe earlier concerns over agricultural biotechnology in agriculture. A 2010 Eurobarometer opinion poll demonstrated that 76% of Europeans in the EU27 are worried about having GMOs in their foods and drinks (Eurobarometer 2010). In 2006 a Pew Research poll found that 34% of Americans were basically safe and only 29% felt they were under the influence of a minor – and at the time of this writing, it seems that the Congress is poised to approve Pioneer 1507 for cultivation (EurActiv 2014). The structural and political dynamics regulating GMOs is very different in the US. Since there is no specific legislation regulating GMOs, the FDA, USDA and EPA act in the same way as EFSA, without having been ratified, but governments have come to an agreement in principle. Regarding GMOs, Canada and the EU have agreed to encourage “cooperation between regulators, to promote efficient science-based approval processes,” and the “EU’s commitment to ensure efficient processing of canola applications” (Public Works and Government Services Canada 2013). In essence, the CETA agreement does not go beyond the SPFs rules of the WTO and does not fundamentally change the EU’s regulatory framework. As the US and EU negotiate TTP, each side is maintaining their long held beliefs. For instance, Commissioner José Manuel Barroso stated the EU will not change its position on GMOs and that the European public supports the EU’s cautious approach (Poli & Chaffin, 2013). Similarly, former Agriculture Commissioner Franz Fischer noted, “it would be a mistake simply to use these free-trade negotiations to put pressure on the European side that they should agree to get rid of GMO restrictions...I think this will fail” (Poli & Chaffin, 2013). On the other hand, Senate Finance Committee Chairman Max Baucus (D-Montana) and ranking member Orrin Hatch (R-Utah), in a letter to Ambassador Ron Kirk United States Trade Representative, state that “Broad bipartisan Congressional support for expanding trade with the EU depends, in large part, on lowering trade barriers for American agricultural products...including the EU’s restrictions on genetically engineered foods” (Baucus and Hatch 2013). Although the US in principle would like to see the EU change its regulations of GMOs, US representatives also know that this is highly unlikely. One outcome of the agreement may be greater cooperation between risk assessment agencies on both sides of the pond and the EU may try to speed up the timetable for processing GMO approvals. At the moment the Commission often does not even meet timetables the EU has set forth (DG Sanco 2013). In the US there has emerged greater grassroots pressures for changes in labeling of GMOs, but it still has not translated into policy. Thus, divergent practices regarding GMO regulation will most likely not change anytime soon and the TTP will most likely not go beyond the WTO SPS standards.
The European Union / Latin American relations have a great relevance in a context of post-economic crisis and in a changing international system. EU/Latin American relations after the crisis

The EU/Latin American relations cover a large spectrum of cooperation (among others: education, social, trade, environmental) and the European Union is still one of the major contributors through external aid assistance in Latin America. The EU Regional programs in the Latin America were first launched in the early 1990’s. Before, the European Community (EC) participated in the development of Latin American countries, either in matters of economic development or public administration consolidation. The EU has been very supportive – financially and technically – during the waves of democratization (O’Donnell, Schmitter, Whitehead 1986). Some countries have nowadays reached advanced levels of development or have even become “emerging powers” while some others kept apart. Central America, for instance, is now paying the price of a belated States modernization. Up to date, the European Union has maintained its financial contribution to the Latin American countries, even unequally among countries.

Across the history of the EU/Latin America relation, the EU has often been promoter of many transformations due to implicit norm transfers – mainly through technological, political and economic transfers of projects aiming at ensuring and consolidating their respective influence in the sub-continent. The international system is in a period of accelerated change that demands new ways of acting and the relation between the European Union and Latin America is not an exception (Frances, Sanahuja 2008). This reality has not yet spread all over the subcontinent. We do not refer to a fierce ideological polarization, considering for instance ALBA countries. What we understand as a cold war context is currently a new opposition between the two external actors trying to increase their respective influence in the continent. This is particularly true in Central America, an area where the United States and China are struggling to increase their respective influence. If there is no rupture of dialogue, the rivalry between powerful external powers, symbolic and lies on a battle of large-scale projects. The ideological and weapon-based opposition are being substituted by a trade battle. Whereas in the past decades the United States was seen as disengaged from the Latin American continent, this is not the case (Fracasso, Sanahuja 2008). The recent initiative of the Vice-President Joe Biden to invest one billion of American aid to Central America echoes the massive investment of China in the region through the Nicaragua Canal. The last years, China has progressively increased its economic and political presence in the region. After the opening of diplomatic relations with Costa Rica in 2007 and many presidential visits (Hui Jinpeng 2010, Xi Jinping 2013). Apart from political relations, some Chinese economic entrepreneurs - like the firm HKDN that will build the alternative route in Nicaragua - strengthen even more the presence of the Asiatic giant within the region and the continent. The United States will participate to the expansion of the Panama Canal and try to increase its influence through a new “Alliance of Prosperity Strategy” oriented toward the Northern Triangle (Honduras, El Salvador, Guatemala). Meanwhile, the Inter American Development Bank (IDB) - close to the US government – promotes a project called “Atlantic Coast Road Connectivity” that will represent an alternative to the new Nicaragua Canal. Here lies between the USA and China a “battle” of projects aiming at ensuring and consolidating their respective interests. The Central American isthmus has always been a geostategic area and now crystallized the new programmed of cooperation with China.

In that context, the European Union has a strategic role to play and a historical responsibility to endorse. The Multiannual Indicative Programme (MIP) for Latin America 2014-2020 of the European External Action Service (EEAS) already took position on those grounds and issues. The MIP is structured by two main components: 1) a focus on initiatives to be carried out at continental level, 2) a support to Central America’s efforts to addressing key developmental challenges. The European Union and the United States are important in increasing their respective influence in the sub-continent.

The international system is in a period of accelerated change that demands new ways of acting and the relation between the European Union and Latin America is not an exception (Frances, Sanahuja 2008). This reality does not yet spread all over the subcontinent. We do not refer to a fierce ideological polarization, considering for instance ALBA countries. What we understand as a cold war context is currently a new opposition between the two external actors trying to increase their respective influence in the continent. This is particularly true in Central America, an area where the United States and China are struggling to increase their respective influence. If there is no rupture of dialogue, the rivalry between powerful external powers, symbolic and lies on a battle of large-scale projects. The ideological and weapon-based opposition are being substituted by a trade battle. Whereas in the past decades the United States was seen as disengaged from the Latin American continent, this is not the case (Fracasso, Sanahuja 2008). The recent initiative of the Vice-President Joe Biden to invest one billion of American aid to Central America echoes the massive investment of China in the region through the Nicaragua Canal. The last years, China has progressively increased its economic and political presence in the region. After the opening of diplomatic financial crisis of 2008 and appearing politically more fragmented than ever, one could legitimately wonder if the EU can afford to continue to be a normative power in Latin America. In that case, it is one of the major targets of European external cooperation towards Latin American that is put into question and need to be revised. Nevertheless, regionalism is currently at stake in Latin America and the European Union has yet to play a strategic role. Will be the EU able to export its model abroad?

It appears to be the major challenge the EU/AL relations are facing in a context of post-economic crisis. The European governments have been constrained to rationalize their internal context and to be more accountable for it. In that perspective, many European countries have reduced their national aids towards Latin America. As a consequence, regionalism and sub-regional integration have become recently assets for a “rationalized” and economically constrained type of cooperation.

The EU/Latin American relation in a changing international system

A new paradigm of EU/Latin America relations needs to be found. The context in which the EU/AL relations set is also important as a new cold war climate is emerging in the region. While some countries have recently tied closer relationships with Asia-Pacific, some others have increased their dependence with the United States. The United States and Europe are changing both increasing their respective influence in the sub-continent.

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South Africa and EU-Africa inter-regional relations

South Africa enjoys both direct and indirect influence on EU-Africa relations. Direct influence manifests itself in contributions to the architecture of EU-Africa inter-regional relations, including leadership within the Joint Africa-EU Strategy (JAES), a prominent voice at the Africa-EU high level meetings, and with respect to relations between the EU and sub-regional organisations like the Southern African Development Community (SADC). Indirect influence stems from the role of South Africa in supporting African regional institutions, notably the AU, through which EU-Africa relations are conducted.

South Africa’s direct contribution to the JAES has been noticeable. Of the eight thematic “partnerships” which served as implementing tools of the JAES until 2014, South Africa participated in six, easily the most of any Sub-Saharan country (Tywuschik & Sherriff, 2009). Similarly it was the only Sub-Saharan African country to co-chair (with an EU member state) a partnership, the Trade, Regional Integration and Infrastructure Partnership.

Further direct influence comes through the institutionalised process of dialogue between South Africa and the EU. The TDCA, Joint Country Strategy Paper and regular high level meetings and summits allow for discussion on points of convergence. One of the most notable is the area of peace and security, where a commitment was made to “provide joint leadership and ultimately did not heed its recommendations, pro-

ceeding with an aerial bombardment which ultimately facilitated the toppling and death of Libya’s long time ruler. This indifference to “African Solutions for African Problems” remains a point of contention, with Zuma emphatic in his criticism that “[Africa was] completely ignored in favour of bombing Libya by NATO forces”. The failure of the EU and Africa to better coordinate their response to the Libyan crisis, despite possessing interests in Africa's security, has been characterised as ‘organised inaction’ and indicative of the distance that remains between Europe and Africa regarding conflict intervention (Brosg, 2013).

There is also a prickliness with which South Africa responds to any assumptions – both within Africa and from Europe – that it is simply a proxy for the interests of the global North. The Zuma and Mbeki administrations both bridled at EU criticism of, for example, Zimbabwe. Zuma demonstrated his willingness to champion African solidarity over EU-Africa relations by explicitly boycotting the 2014 Africa-EU Summit because President Mugabe’s wife had not been granted a visa to enter Europe. This was also indicative of his lack of interest in the EU. Similarly, South Africa has bucked its own constitutional and domestic policies – policies such as toleration of sexual orientation such as the LGBT issue outlined above – in order to maintain continent-wide harmony.

Conclusion

No country can claim to conduct perfectly consis-
tent foreign policy. Endogenous and exogenous vari-
bies assure that policies change over time. Since the end of apartheid South Africa has endeavoured to find “like minded” group interests than European (In-
voting pattern more reflective of Chinese, Russian and other non-European perspectives. The perception of South Africa as a South African parliamentary committee in 2005 concluded, “although the country’s long-term future is not different in terms of its role in interregional relation-
ships: it straddles South-South and South-North lines, maintaining an outward policy of solidarity with the de-
veloping world” (Habib, 2009, p. 151) and augmenting its interests in emerging countries both within South Africa and IBSA, while maintaining trade and political ties with its largest trade partner the EU. This North-
South-South approach is tinged with pragmatism since, as a South African parliamentary committee concluded, “although the country’s long-term future lay with the Third World, there are certain realities we dare not ignore” (Barber, 2005, p. 1083).

Ultimately, South Africa plays an influential role in African regionalism even if it can sometimes be deemed ‘hugemony on a shoestring’ (Alden ad Le Pera, 2008). There is some credibility gap in evidence. Likewise for EU-Africa interregional relations, expectation is high in the EU for South African leader-
ship which, though often forthcoming, has also been criticised as reactive. Nevertheless, South Africa will continue to be the EU’s focal point since political and economic ties between them are deeper for the EU than with any other Sub-Saharan state. However, it is also clear that Africa trumps Europe in the estima-
tion of the Office of the President, meaning that EU di-
plomacy will continue to navigate through the seabed on the continent without jeopardising its perceived independence and Global South creden-
tials.

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The Eurozone in crisis has come to embody a new and notably pathological variant of “winner-take-all” politics. Our reading of Jacob Hacker and Paul Pierson’s work on the increasingly extreme concentration of wealth and income at the very top of American society leads us to identify two broad areas where the foundations of the winner-take-all economy can be found: finance and labor relations, along with their related domains of law and regulation. (Hacker and Paul Pierson, 2010) The shifting power relations triggered by the rise of finance and financialization, on the one hand, and the weakening and erosion of unions and organized labor relations, on the other, were the structural drivers of the winner-take-all economy in the United States. These dynamics are now increasingly evident throughout much of the Eurozone. Together, they have produced a fundamental reallocation of political economic power even more rapidly and dramatically than in the U.S., one that threatens to lock in place dynamics driving increasing inequality.

Leading politicians and policy makers at the national and EU levels have overwhelmingly rejected the possibility of national exit from or total abandonment of the Euro, as well as the fundamental reform of Eurozone monetary and fiscal policy capacities to allow for EU-wide stimulus spending. With these structural features of the Eurozone effectively locked in, thus precluding either recovery through stimulated growth or currency devaluation, “internal devaluation” through contractionary fiscal and wage policies were the only alternative left the peripheral countries. (Arestis and Sawyer, 2014) Ironically, and perhaps perversely, the severe and protracted financial crisis in the Eurozone has served to strengthen and entrench financial sector interests and their political allies, while weakening those of labor. Likewise, the crisis in the EU has further empowered the wealthier core countries, and above all Germany, vis-a-vis the substantially poorer and less competitive periphery.

The global financial crisis (initially an American export) triggered an initial banking crisis that spread to sovereigns faced with potentially massive bank bailout costs, which then reinforced a second-order and deeper banking crisis as banks were threatened with huge losses on sovereign bond holdings. Stabilization and preservation of the European financial system, and the national banking systems that compose it, have been the primary imperative of all political and policy responses to the crisis. (Summit of the euro area countries, 2008; European Commission, 2008) Labor law reform lagg’d the bailout of peripheral state finances and the rescue of large, overleveraged financial institutions whose solvency was threatened by the possibility of sovereign debt defaults. Labor market liberalization and the weakening of unions came as a still later phase of the broader and longer-term EU project of reforming the governance, law, and governments of the Eurozone in response to the protracted debt crisis. The two areas of policy are inextricably linked in that labor and employment law reform was viewed—at least by many Spanish elites and their allies within the Troika—as essential for longer-term, ongoing adjustment that would fuel corporate profits and enable debt repayments that would channel resources back into the banking system. The sovereign debt and bank bailouts form one part of an economic and policy loop; labor market and employment law reforms closed that loop in order to facilitate the flow of capital for the benefit of banks and banking systems in paribus condition.

The very different and often divergent uses—and abuses—of law by EU and Spanish authorities in the domains of banking and labor relations policy, respectively, reflect this new winner-take-all politics, along with its winners and losers. In the domain of banking and finance, existing regulatory provisions have been consistently relaxed, enforced, or eliminated with the effect of obscuring the dire state of too-big-to-fail financial institutions. (See, e.g., Bischof, Bruggemann, and Daske, 2010) Regulatory forbearance by banking and securities regulators at the member-state and EU levels, including the exercise of European Central Bank (ECB) banking oversight, protected banks and the banking system as a whole from destabilizing disclosures and allowed temporizing “extend and pretend” strategies to avoid the realization of losses and immediate threats of insolvency. (Bloomberg, 2011; Fleming and Barker, 2013) The ECB has ventured to the edge of its legal mandate under European treaties in conducting financial operations to shore up teetering sovereign finances and banking systems, and in September 2012 arguably went well beyond it in vowing to engage in “outright monetary transactions” (OMT) involving acquisition of sovereign bonds in order to preserve the Euro. (See Draghi, 2012; compare Bundesverfassungsgericht, 2014 (German Federal Constitutional Court decision attacking legality of OMT as announced))

In the field of labor relations, by contrast, state power has been mobilized to radically reform employment and labor laws in the name of a formal legal change. Here, we see far-reaching revision of long-established legal arrangements to impose liberalization on labor markets long characterized by organized labor relations and widespread collective bargaining. (Bentolila, 2013; Secretaría de Acción Sindical de CC.OO, 2014; Secretaría de Acción Sindical – UGT, 2014) At the same time, here too we see regulatory forbearance, as authorities overlook employer abuses and limit reporting data that would make evident the full redistributive consequences of the legal changes pursued. The role of law in the Eurozone crisis illuminates the contradictory and disturbing state of legalism and the rule of law in the constitution of the emerging winner-take-all EU political economic order.

Examination of banking and labor relations policies reveals the extent to which the Eurozone crisis has transformed the political and juridical character of Eurozone governance. Looking not only at the substance of policies adopted at the EU and national levels in response to the crisis, but also the form different policies have taken (i.e., whether policies have been implemented through formal legal means, or through the circumvention or suspension of formal legal rules), law and legal change serves as: (1) evidence of which economic and political constituencies are winning and losing battles over policy and power, (2) evidence of the increasing centralization and discretionary character of power and authority in Eurozone governance, and (3) constitutive of a new and still emerging political economic order in Europe at both the EU and national levels with pronounced winner-take-all characteristics.

Both the bailout policies restructuring the Eurozone financial system and national-level labor market liberalization fit together at the intersection of two political logics at two levels of analysis. The first logic is the bailout of sovereign debtors and the cycling of resources back into the major banks of the core EU countries through debt repayment/refinancing. This is largely, if not entirely, an EU-level process, and the legal reforms are consistent with the logic of that financial architecture even as the role of the ECB in this process strain—or arguably overstepped—the legal bounds of its mandate. The second logic is that of partisan politics at the national level in which conserva- tive parties and anti-labor constituencies have taken advantage of the crisis and the political disarray it has caused to ram through fundamental changes in the structure and substance of labor law to permanent- ly weaken organized labor and thereby erode a key historical constituency of the center-left/left electoral
As expected, we see labor reforms that jointly satisfy the political and policy imperatives at both levels, but the first logic of the bailout of core banks and financial restructuring is primary, with labor reforms subordinate to the priorities (and political economic power of the core countries) of maintaining the stability and liberal market character of Eurozone finance.

The differential treatment of domestic labor relations and Eurozone financial markets fits within a unified and coherent, if grim, political economic logic. On the financial side, regulatory forbearance and relaxation, particularly with respect to accounting and disclosure rules, combined with quasi-fiscal monetary support for banks prevented not only sovereign defaults, but also the collapse of the European banking system and thus of the Euro. However, propping up the banking system largely preserved the status quo ante and both confirmed and entrenched the privileged position of finance within the Eurozone. In the absence of EU-wide fiscal stimulus, the ECB was able to stabilize the financial system (for the moment), but not cure its underlying disease of bad debt and downward spiraling demand. Internal devaluation remained the only available means of economic adjustment—even though this entailed deflation and collapsing employment, wages, and living standards across the fiscally troubled peripheral debtor base. Labor law reform in Spain advanced EU-imposed austerity at the member state level, in the service of preserving the Euro, the banking system, and the vast, regressive risk and loss shifting project of internal devaluation. Labor relations and employment law reform facilitated internal devaluation by diminishing legal obstacles and costs associated with slashing wages and jobs. This legal attack on organized labor and increasing disorganized workers took place within a policy space in which the political interests of Spain’s conservative PP overlapped with the economic interests of the EU political and financial elites. (Díez, 19 July 2013, 12 June 2013) The politics and policy ushered in by the crisis have disproportionately shifted economic and the costs of adjustment away from finance capital and firms, and onto workers and households.

The constellation of austerity, bank bailouts (even if disguised as sovereign debt rescues), and neo-liberal labor relations reforms has corroded both the idealistic structural flaws of the Euro, and the increasingly neoliberal character of governance within the ever-closer union of the EU.

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The EU's judicial system remains largely without parallels outside of Europe, due mainly to the role of the European Court of Justice (ECJ) that has, in its role as independent third party, made agreements among EU member states increasingly binding. The ECJ has also repeatedly advanced European law and integration through its interpretations: starting with establishing direct effect and the supremacy of EU law in the early 1960s up until more recent case law easing the access of EU citizens to national welfare state systems. The broad literature on the ECJ agrees on the institutional mechanisms that have allowed the Court to play such a proactive integrative role (Stone Sweet 2010): first, the Commission can initiate infringement procedures against member states, which can lead to fines for non-compliance. Second, the preliminary ruling procedure, through which national courts can refer questions on the interpretation of EU law to the ECJ, grants EU citizens indirect access to the ECJ to actively claim individual rights. Both of these mechanisms have ensured a sufficiently large caseload for the ECJ to incrementally develop its case law. Also, ignoring the ECJ’s rulings is not an option for EU member states as domestic courts implement the requirements of EU law in their rulings. At the same time, member states can hardly refuse the development of case law collectively. The treaty, on which much of the case law relies, can only be changed unanimously; the joint-decision trap protects the Court (Scharpf 2006). Beyond its borders, the U.S. does generally not need to worry about potential or actual judicial activism in the international arena. Even though it contains disputes over the protection of legitimate and core arbitration rights, the North American Free Trade Area (NAFTA) falls short of creating a densely institutionalized legal system. Yet, there is also the World Trade Organization (WTO), which was equipped with a significantly stronger dispute-settlement system than that of its predecessor, the General Agreement on Tariffs and Trade. Most importantly, WTO panels and the Appellate Body (AB) of facto enjoy compulsory jurisdiction; WTO member states need a consensus decision to block the activation of dispute settlement procedures and the adoption of panel and AB reports. The strength of, in particular, the permanent AB is mitigated by the fact
that access to WTO dispute resolution is restricted to member states; as a result, the caseload of the AB remains low, which severely limits its scope for case law development.

Notwithstanding the lack of private access to WTO judicial decision-making, there are strong indications that one can observe parallels to the EU (Krüger 2013). Most significantly, institutional decisions that lack sufficient support in the WTO’s negotiable forums are incrementally changed or established through judicial decisions also in the WTO. One striking example is the AB’s interpretation of Art. XIX GATT in relation to the WTO Agreement on Safeguards, which concern member state measures (prohibitions or restrictions of imports) to protect domestic industries from sudden increases in imports that are causing, or threatening to cause, serious injury to the industry. During the Uruguay Round negotiations, the U.S. and the EU disagreed on the precedent that the AB would follow AB jurisprudence on similar issues; the AB changed this understanding significantly in 2008: “zeroing,” a calculation method in the area of antidumping duties. While it has been common practice for panels and the AB to refer to earlier case law, which was traditionally viewed as legislatively apply safeguards measures; at the same time, the U.S. has found it more difficult to access to WTO dispute settlement matters. As Krüger can show, this has allowed the Commission to successfully draw and transfer lessons from the rule of judicial interpretation and innovation from the EU to the WTO level. The case law resulting from these litigation activities confirms, if only weakly, that the AB follows more lenient language in WTO dispute settlement matters. As Krüger can show, this has allowed the Commission to successfully draw and transfer lessons from the rule of judicial interpretation and innovation from the EU to the WTO level. The case law resulting from these litigation activities confirms, if only weakly, that the AB follows more lenient language than those of the U.S. It appears, then, that the U.S. still needs to draw important lessons on educational integration dynamics beyond the nation state.

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References


Book Reviews


In its aim of chartering the struggle for European Union (EU) legitimacy over a fifty-five year time period, Claudia Schrag Sternberg’s book focuses neither on the evolution of the concept of legitimacy in EU politics, nor on analyzing the criteria of legitimacy from a normative perspective – both of which require an initial idea of what constitutes legitimacy in the first place. Rather, she focuses on a more secular and intangible aspect of legitimacy: what historical discourse suggests it actually means in the context of EU integration. In exploring how Europe’s political leaders attempted to influence and connect with public debates in the member states over the value and purpose of integration, as well as what form it should take, she asks questions concerning how the EU was portrayed and what specific meaning legitimacy came to hold in different discourses, how competing discourses grew and took hold, and why some discourses became dominant whereas others resonated less well. Given the Euro crisis of recent years, which she states “has shaken both the EU and its claims to legitimacy to their foundations,” (p. 1), along with increasing Euroscepticism and – perhaps worse – levels of public indifference in union decision-making, the EU documented by such authors as Virginie Van Ingelgom, this comprehensive investigation into the constructed meaning of legitimacy within the EU represents an important and novel contribution to the literature.

Sternberg uses the method of interpretive textual analysis to examine patterns and changes over time in the discourses of the EU’s political elites and institutions, and undertakes targeted case studies of how those official discourses were interpreted and deliberated during national public debates in France and Germany involving the controversial negotiation and ratification of the Maastricht Treaty from 1991-1993, and the failed Constitutional treaty in early 2005. She relies on an impressive array of sources, including official reports and statements, treaty preambles, political speeches, and newspaper articles, to identify and analyze key themes and positions across a variety of discourses that shape the dynamics by which the meaning of legitimacy is created and recreated over time. Yet the fact that she categorized documents in such a way that has been selectively considered as representative leads one to wonder what decision making criteria Sternberg used to determine a key discourse theme (e.g., how often must it have occurred? Across how many sources?). The overall approach, however, appears systematic and rigorous, and relies on an iterative process of cross-textual analysis.

All in all, three interrelated tensions permeate the book’s chapters: (1) the balance between the forces of politicization versus de-politicization of EU integration and its implications, (2) the interplay of input- versus output-oriented (or “public legitimacy” based on the seminal work by Fritz Scharpf, Governing in Europe), and (3) the dilemma over bringing the people in versus keeping them out of the integration process. In highlighting the contested nature of integration from the very inception of the union, Professor Sternberg challenges the notion that “a permissive consensus” ever dominated the integration project.

The book begins with an examination of the narratives and arguments used to legitimate integration in its early years (through the Charlottenburg treaty, which emphasized the view of integration as uncontroversial and uncontested, as reflected in early discourses. Highlighting the emphasis on safeguarding peace and improving the prosperity of European citizens,  the book analyzes several discursive patterns throughout the chapter whose common effect was to depoliticize the stakes of integration and lend credence to the notion of a popular permissive consensus toward it. However, she reminds us that these depoliticization tendencies have not disappeared in the EU and that EU legitimacy, like many other national and supranational discourses in national newspapers, continues to be a subject of critical discussion throughout the book. In the end, Sternberg concludes that the struggle for European Union legitimacy over the last fifty-five years must be rooted in the intentional, momentary, subjective, and often ephemeral enthusiasm that one can observe parallels to the EU (Krüger 2013).

The struggle for legitimacy is a problem that will forever challenge
the EU. What legitimacy it manages to achieve, she argues, is inherently tenuous because EU policies is, at its very nature, controversial. Claims to legitimacy are always relative and can change over time as they are contested. Overall, this places the “crisis of legitimacy” that has plagued the EU into a much broader and deeper context. Because of the dynamics of contestation surrounding it, Sternberg convincingly argues that the legitimacy of EU policy is likely to remain a perennial one. Paradoxically, the EU has decreased its legitimacy in the eyes of citizens by stressing harmony. At the same time, she argues that the EU can strengthen its legitimacy by deemphasizing the EU’s traditional discourses focused on a “common European good” and the convergence of interests while more fully acknowledging the contested and divisive nature of EU policies.

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In his preface to this very timely and insightful volume, Pierre Vimont, one of the top officials in the new EU institutions, highlights the need for fundamental reform (both institutional and political) in the area of the EU’s foreign policy are one of the most important innovations of the Lisbon Treaty. These changes which are crucial for the standing of Europe in the world have nonetheless been rather overshadowed by the woes of the European financial and debt crises both within academia and the public. With the economic situation improving and the crisis in Ukraine evolving, the public attention may perhaps be alerted again. Yet in terms of academic output, with the exception of various more forming the more traditional discourses focused on a “common European good” and the convergence of interests may perhaps be alerted again. Yet in terms of academic output, with the exception of various more

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Hiding behind the bulky title is a valuable and detailed analysis of the planning process of three European-led military operations planned in coordination with the United Nations or NATO in three different crisis areas: Chad, Lebanon and Afghanistan. Despite its broader focus on European military involvement, the findings of the book are significant for EU studies. Since the establishment of the EU’s Common Defense and Security Policy in 2003, little is known about its 28 military operations. Matteaer fills this important gap with many expert interviews with military as well as political actors. His focus on the interaction of NATO and EU led operations in Afghanistan, UN peacekeeping forces in Lebanon, and European and EU engagement in Chad. While all three cases examined in the book provide an excellent qualitative analysis of the challenges of civilian and military planning in Europe and beyond, this review focuses on the EUFOR operation in eastern Chad and the northeast of the Central African Republic. The analysis of EUFOR holds the most significant insights for what we know about the processes of military operations and its ramifications for the EU’s role as a global actor. Throughout his book, Matteaer argues that the design of military operations is shaped by the friction between intergovernmental decision making and military planning. As he notes, this is not a new argument. Already Huntington’s seminal work on “The Soldier and the State” in 1957 emphasized the complex relationship between the military and civilian spheres and the frictions between them. According to Matteaer, his findings seem to suggest that this friction is an essential characteristic of the EU’s military operations, with debilitating consequences. He describes in much detail the interaction between these two and his conclusion is that the EU’s military operations are one hand and military planning on the other as something “typically European” in the EU’s CDSP, NATO as well as European engagement with UN mandates (p. 2). The EUFOR operation exemplifies the inherent mismatch between the argument for EU participation in the UN institutions in Brussels and the Operation Headquar-
about EUFOR’s planning and operation. Future scholars will be able to draw from this study to examine other CSP military operations and confirm the findings of The Politics of the Dynamic World of European Crisis Response Operations: Planning, Friction, Strategy. This study is highly recommended for experts in EU defense and military policy as well as scholars who wish to understand the internal functioning and decision-making of the EU and its ramifications for CSP operations.

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A Europe Made of Money: The Emergence of the European Monetary System is one of a dozen or so books that have been published recently by Cornell University Press in the excellent Cornell Series in Money that Eric Helleiner and Jonathan Kirshner have produced in recent years. This book represents the work that Emmanuel Mourlon-Druol did to obtain his doctoral degree at the European University Institute in Florence in the Department of History and Civilisation. It is based on a very wide range of archival material that was collected from eighteen archives in six countries (p. 6).

One might wonder if another book on European monetary integration was really necessary. After all, there are excellent books out there that cover this process. Yet most of them focus predominantly on the period that led to the creation of Economic and Monetary Union (EMU) at Maastricht (Dyson and Featherstone 1999). Those that do include an analysis of the earlier period as part of the study of the whole monetary integration process, typically do not involve major archival work and instead draw on interviews with key observers and secondary sources and/or personal experiences (see Dyson 1994; Ungerer 1997; McNamara 1998; Szász 1999; Verdun 2000).

A Europe Made of Money, however, is much more similar in focus to a much smaller number of books that focus much more specifically on the early monetary integration period, concentrating in particular on the European Monetary System (EMS) that operated from 1979 (Ludlow 1977; Kruise 1980). In fact, as we read through A Europe Made of Money, it is clear that there is definitely a space for yet one more book broadly on this topic, if only because this author had access to archives — which authors writing in the immediate aftermath of an event typically do not. Mourlon-Druol starts the book commences by stating what we know about monetary cooperation in Europe: European integration had started off well but within the context of the Bretton Woods system of fixed exchange rates. By the early 1970s it had a respectable achievement (especially in the area of industrial union and integration). The change in the world economy in the area of currency fluctuations was bound to wreck havoc with this newly achieved European integration process. But achieving cooperation in the area of monetary policy was going to be a far from easy task (Mourlon-Druol 1999). He argues, the conventional story goes that “the EMS suddenly appeared and was intensely but swiftly negotiated.” (p. 4). He states that there is some truth in that story but that for a fuller picture one needs to focus on “the real process that existed (even if it is not always apparent)” (p. 4). Mourlon-Druol’s book seeks to offer insights into how various earlier attempts at European monetary integration played an important role in the EMS’s creation. In his words, it needs an “interweaving of transnational, intergovernmental, and supranational dimensions as well as the interaction among economic, political, psychological and technical dimensions.” (p. 4), leading him to the central question of his study: “how was a European consensus built regarding European monetary cooperation in a world of floating currencies?” (p. 6).

The book seeks to understand the different types of paths that could have been taken to achieve monetary cooperation in the European Economic Community (EEC) at the time. Instead of choosing between a myriad of possible ways to cooperate and numerous visions of how to move forward, given that the Werner Plan to create an Economic and Monetary Union in the EEC had failed, the snake had mixed results, and there were various visions and ‘monetarists’ (or ‘monetarists’) of how to move forward in the area of economic and monetary integration. In terms of its theoretical contribution, this book offers an eclectic approach, and in that way is similar in analysis to Verdun (2000) and Dyson and Kevin Feistner (1999).

The book offers a detailed account of the developments in the area of monetary integration, chronicling first briefly the period from 1945 to 1974. The bulk of the book covers six years, 1968 through 1979, of the EMS in 1979. The historical study excels in being firmly based on archival sources and serves to provide a detailed picture of the many plans, proposals and initiatives that were put forward in the EEC and the member states with a view to achieving closer monetary cooperation. Mourlon-Druol carefully documents these plans, proposals, and manifests and walks us through the various European Council meetings during these years that failed to produce the results needed for further monetary integration. Not only are the former EPU Commission (EPU Commission and European Council) discussed, but experts are also examined (such as the economists who wrote the All Saints’ Day Manifesto). Mourlon-Druol also points to political-psychological factors, such as the finding by the heads of states or government that it is important to meet informally, or at least without the whole entourage present, to facilitate conversation.

The archival material unearthed lots of interesting facts (the term ECU was coined in 1974 by European Commission President François-Xavier Ortoli) but also amusing facts (for example, a poem found its way into the official archives of the Council that served as a plan to create a new European Society (p. 90), which can probably only be understood by realising what dire straits both the EEC and the EMS were finding itself in). Mourlon-Druol eloquently weaves together the story of the creation of the EMS by linking together the plans, the people, and the facts throughout this six-year period. He cleverly presents the facts but also offers political and historical analysis of what is fact and what is ‘mythology’. For instance, as is well-known, technically speaking the EMS did not at all present a major overhaul from what had been arranged in the context of the snake. But it was politically important to signal that this new EMS heralded a new era (the French wanted economic and political rapprochement with Germany, p. 225). Mourlon-Druol illustrates carefully how this whole process unfolded and how it ended up being concluded as the EMS in 1979 with all EEC members part of it. He also stresses how the final negotiated EMS was the result of ‘all kinds of actions taken on the margin, if not outside, the Treaty of Rome.’ (p. 257). He also points to the weakness of the Commission that, despite putting forward proposals at least once a year, was continuously bypassed by the European Council.

As no doubt be gathered from the above, this book has all the qualities of an outstanding historical study. Yet the book is even more ambitious: in his final chapter Mourlon-Druol seeks to contribute to the political science analyses of European monetary integration. In this chapter he dabbles into learning, the role of elites, epistemic communities (through the participation of specialised committees) but also the cooperation of academics and practitioners. He also highlights the rise of the European Council as an institution (which only officially became a formal institution with the Lisbon Treaty but in practice its ascendance can be traced back to the 1970s). Finally, in his concluding chapter he stresses the importance of putting the analytical lens on the interaction of transnational, supranational and intergovernmental phenomena (we are back to the eclectic approach mentioned above).

All in all, by bringing together new archival material the author is able to weave together a story that has been hinted at in many of the earlier works, cited in the opening paragraph of this review, but did not come out fully until now. Thus, this book offers an important ‘missing link’ in a chain of writings on EMS and EMU and as such should be read by all those interested in understanding Europe’s past, present and future monetary cooperation.

Amey Verdun

References


The second chapter analyzes the constitutional theoretical arguments in favor of and opposed to direct and may evolve in a system as complex as the European Union questions about how democracy currently functions by political scientists with the work of legal intentions to bridge the research conducted on referendums to offer any causal analysis. The authors make clear their of how and when such referendums have been em-demanded that proposed reform. The authors offer an in-demonstrated by the French and Dutch rejections of the proposed European Constitution that effectively out the influence of these different considerations, the authors examine 42 referendums on the EU from the last half century. The most notable findings are that nearly three-quarters of EU referendums are motivat-mated by political pressure or strategic calculations and not six other multi-level systems (the United States, Swit-imply provided on EU referendums to the country holding the referendum) may impede progress desired by much of the EU and efforts to work around the referendum instrument diminish the democratic quality of EU decision-making. The second part of the text shifts to a discussion of the implications of these referendums for the political stability of the EU. The fourth and fifth chapters consider the problem inherent to multi-level political systems of balancing constitutional safeguards for the territorial division of powers with the need for institutional flexibility to address new and changing circumstances. Most of the fourth chapter discusses how the EU has struggled with achieving such a balance with the for providing a comprehensive understanding of both the theoretical and the actual implications of EU referendums. The text ultimately contributes more to the legal discussion surrounding these referendums, although the third chapter develops a useful frame-work for political scientists to study the use of these instruments in the future. The third chapter applies insights from the politi-cal science research to better understand the circum-stances surrounding the use of EU referendums. The authors begin by identifying three possible motivations for political elites to commit to holding an EU referend-um: first, referendums may be held due to constitu-tional mandate, in which case the elites have little choice; second, elites may use a referendum strategi-cally to shore up their constituencies against external forces (such as membership referendums in neighboring candidate countries) to secure the legiti-macy of a particular course of action toward the EU; third, governing elites may use a referendum strategy to elicit motivations, the degree of inter-party consensus on the EU and public attitudes about both the EU and the national government may also influence the likely use and outcomes of EU referendums. To parse out the influence of these different considerations, the authors examine 42 referendums on the EU from the last half century. The most notable findings are that nearly three-quarters of EU referendums are motivated by political pressure or strategic calculations and not six other multi-level systems (the United States, Swit-personal mandate, in which case the elites have little choice; second, elites may be pressured by internal or external forces (such as membership referendums in neighboring candidate countries) to secure the legitimacy of a particular course of action toward the EU; third, governing elites may use a referendum strategy to elicit motivations, the degree of inter-party consensus on the EU and public attitudes about both the EU and the national government may also influence the likely use and outcomes of EU referendums. To parse out the influence of these different considerations, the authors examine 42 referendums on the EU from the last half century. The most notable findings are that nearly three-quarters of EU referendums are motivated by political pressure or strategic calculations and not six other multi-level systems (the United States, Swit-
provide an impressive panorama of the complexity and diversity of the Commission’s internal policy-deve-
development. The remainder of the empirical part com-
ments the policy chapters and emphasizes three cross-cutting issues: expert groups, public opinion and
internal coordination mechanisms. These chap-
ters partly address separate literatures; in particular the chapter on public opinion provides an original, bal-
anced account of the Commission’s public relations and
sensiveness to diffuse public demands and their mixed
enabling and constraining effects.

The final part of the book (chapters 11-13) aggre-
gates the empirical findings and generalizes them to
two ways. First, the relative weight of factors explain-
ing the position and assertiveness of individual DGs is
established. While the authors are cautious not to
overstate the generalizability of their findings given
their selection of policy areas and a certain bias to-
ward instances of internal conflict, the comparative
assessment of 48 cases supports numerous interest-
ing insights, e.g. regarding the pervasive importance
of the legal status quo (and, accordingly, the Commis-
sion’s susceptibility to path dependent policy-making),
the great external influences exerted by organized in-
terests and experts on the position of individual DGs,
or the structural advantages of the lead department and
the Commission’s horizontal services in cases of
internal conflict. Second, a typology of three models
is postulated to explain policy-seeking. The models charac-
terized by technocratic problem-solving, competence-
seeking or policy-seeking – is introduced and the rela-
tive prevalence of the different ideal types in practice
is assessed. Technocratic problem-solving is found to
dominate in a considerable number of cases. Competence-
seeking is most likely in cases of internal conflict; and ideologi-
cally motivated policy-seeking, albeit being least com-
mon, also occurs regularly in cases of internal conflict.
The authors could have elaborated a bit further on
how the typology was actually developed, but its over-
al plausibility as well as its usefulness as a heuristic
tool and as a warning against one-sided depictions of
the Commission are well demonstrated.

In sum, this book breaks new ground regarding the
Commission’s internal policy-development and while it
does not convey any simple or simplistic message, it
sets a high standard in terms of comprehensiveness
and balance.

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Hay, Colin and Wincott, Daniel. The Political
Economy of European Welfare Capitalism, 21st
Century Europe. New York: Palgrave Macmillan,
2012.

Hay and Wincott address the development, evolu-
tion and potential future viability of European welfare
systems. The authors provide a long-run historical
context of social welfare systems of European nations,
distinguish between broad approaches to welfare sys-
tems used in Europe and beyond, consider forces af-
flecting the welfare state including globalization, Euro-
pean integration, and the global financial crisis, and
assess whether and the extent to which European welfare
systems may converge in the face of these en-
dogenous and exogenous pressures. Based on solid
foundations of political economy and in-depth knowl-
edge of European welfare systems, the authors use care-
ful reasoning and logical arguments to develop an
encompassive array of issues associated with the European so-
cial welfare systems.

The book consists of seven chapters, illustrated
with informative tables and figures that help substan-
tiate the authors’ arguments. The absence of math-
ematical formulations and detailed discussions about
statistical techniques used enables access for a wide
audience, although the authors’ intricate arguments
may at times be difficult to follow for readers unfamil-
lar with Commission’s methods of policy analysis.
Nevertheless, the authors convincingly challenge
conventional, conventional paradigms and historically
unquestioned beliefs about European welfare capitalism,
including its development, distinguishing attributes of
alternative and alternative forms of welfare capitalism,
and where welfare states may be headed in the future.

By emphasizing the common historical context of
Western European welfare states since the latter part of
nineteenth century, the authors show in Chapter 1 how
social policies are deeply entwined, have with-
stood profound crises, and are unlikely to be elimin-
ated in the face of current economic difficulties. The his-
torical perspective also serves to make a fundamental
distinction between different welfare systems – those
rooted in conservative efforts intended to pre-empt
working-class upheaval in Central Europe, and others
stemming from progressive efforts developed in North-
ern Europe.

The authors discuss alternative approaches used
by actors in Chapter 2 and consider state demand, and that the
European nations are clustered around alternative forms of
welfare capitalism – albeit not tightly defined but with
variations along similar dimensions. In contrast to con-
ventional wisdom suggesting welfare systems will con-
verge into a more or less similar system, the authors
show that alternative systems seem to have increas-
ingly mutually distinguishing characteristics.

In the next chapter, the authors examine of the effec-
tiveness of welfare policies within European integrated
welfare in additional detail. They persuasively argue
that the effects of regional economic integration are
more profound than those of broad-based globaliza-
tion in European nations, and that neither force has
thus far led to significant welfare retrenchment. The
authors cogently make the case that relatively gen-
erous welfare systems do not necessarily affect eco-
omic performance and competitiveness in negative way,
as long as economies base their competitiveness
on diversified, high quality goods and services.

In Chapters 4, the authors further analyze the com-
patibility of welfare generosity and international com-
petitiveness. They argue that the welfare state can in
fact enhance economic competitiveness in the pres-
ence of proper institutional arrangements, such as in-
ternal market flexibility, a focus on product innovation,
a strong reliance on physical and human capital, and
inclusive labor markets that encourage cooperation
and trust.

In Chapter 5, the authors further relate the Euro-
pean integration process to welfare capitalism, and ar-
gue that the absence of a comprehensive European-
level social policy does not necessarily mean that role
of the welfare state will diminish. European integration
has led to increasing cross-border social policy con-
siderations across the continent within sovereign social policy is-
sues and also with competitive market forces, but thus
far there has not been a wholesale move away from
social solidarity and toward ‘neoliberal’ policies that
mainly rely on market solutions, social expenditure reduc-
tions, deregulation, and privatization.

In Chapter 6, the authors further explore the de-
gree to which social welfare systems have converged
in the face of external and internal forces. Contrary
to conventional thinking, they show that there were
strong convergence patterns among European wel-
fare systems during a period of welfare expansion un-
til 1985, and divergence trends during the time when
social programs contracted since then.

In the final chapter provides a discussion on the in-
fluence of austerity measures in the face of the global
financial crisis on European welfare states. The au-
thors take a distinct Keynesian approach, by arguing
that maintaining the integrity of social welfare serves in
the long term, although the framework of analysis set out in Chapter
2 thus draws on the existing literature but also elabo-
rates further on certain aspects, for instance by distin-
guishing whether trade policy is reciprocal and trade
relations are symmetric or not. It integrates societal,
state and systemic factors of explanation and puts
forward a few hypotheses about how different types of
policy sub-systems explain the extent to which EU trade
policy responds to societal pressures. Hence,
the authors discuss the factors shaping the EU’s win-
set in various settings but not the negotiation strate-
gies that agents such as the European Commission
can use to influence trade policies.

Chapter 3 outlines the development of EU trade
policy and the emergence of a more proactive trade
strategy since the mid-1990s. Chapter 4 introduces
the multilateral trading system and the EU’s conduct in the WTO Uruguay and Doha Round negotiations. Chapter 5 deals with defensive and offensive trade policy instruments, in particular the EU anti-dumping and market access measures. Chapter 6 discusses the role that the internal market plays for EU trade policy, generally liberalizing market access for foreign firms yet occasionally creating obstacles. Chapter 7 assesses the EU’s record regarding regulatory cooperation with third countries. Surprisingly, it misses out on the far-reaching regulatory and legislative approximation processes going on between the EU and its immediate neighbours. Chapter 8, finally, addresses the issue of trade policy as a means of foreign policy. It is, oddly, rooted in foreign policy analysis rather than the book’s approach of policy sub-systems. The chapter focuses on the trade-development nexus, the EU’s trade relations with other big powers. The authors note that the EU only uses trade policy as a foreign policy instrument when the costs are low and with developing countries rather than peers. It is not entirely plausible though why a trade agreement with South Africa should be regarded as a foreign policy instrument contrary to a trade agreement with Russia or India. Moreover, the EU concludes different types of trade agreements with different kinds of countries.

As significant economic interests often prevail over any normative agenda, Young and Petterson conclude that – although the Union’s capacity for external action is greatest in the field of trade – the EU is less of a ‘Normative Power Europe’ than a ‘Parochial Europe’ (or ‘Parochial Global Europe’) with reference to the Commission’s 2006 ‘Global Europe’ trade strategy. The EU’s preoccupation with its own internal politics would hamper its efforts to play a global role. In this sense not only trade policy might appear parochial. While the EU has over time increasingly inserted normative provisions in its unilateral and bilateral trade policy instruments, it has indeed never suspended any trade agreement in response to violations of human rights or democracy – not even when the costs were low.

Although the authors need to be applauded for their broad approach which enhances our understanding of the intricacies of EU trade policy, this breadth comes at the expense of depth. In this regard two major shortcomings have to be mentioned. First, while the chapters mentioned above cover the (diluted) main parts of the book’s approach, none of them systematically applies the rich analytical framework set out at the beginning. Second, in a book on how EU trade policy is actually made the reader would expect a chapter detailing the relevant actors and decision-making processes. Yet, knowledge about the legal and institutional complexities of EU trade policy making in the various subfields (negotiation of trade agreements, implementation of the acquis, application of trade policy instruments) is largely assumed and the different chapters refer to these issues merely in a rudimentary manner. The book thus risks missing out on further variation across policy sub-systems. It targets a rather advanced audience of EU studies and is best located somewhere between a research monograph and a textbook. Nevertheless, the book must be highly recommended to scholars of EU external relations as well as trade policy practitioners. It is a great contribution to a still neglected field of EU studies.

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Costa, Olivier and Brack, Nathalie. How the EUreally works. Ashgate, May 2014

Both the European Union (EU) integration process and the dedicated literature seem to have hit a plateau, caught between a ‘rock’ of dramatic institutional and constitutional changes, and a ‘hard place’ of deep socio-economic and financial crisis. Generally, it has become increasingly difficult to tackle the intricacy of these overlapping circumstances without the threat of triviality and incompleteness – or paradoxically adding even more complexity.

From similar considerations the present volume starts, including an account of the major analytical and methodological pitfalls (pp. 9-12) to avoid when studying the EU. Amongst others, the risk to overstate its sui generis nature, which implies the incomparability of the EU to any other political system or organization – the opposite hazard being conceptual stretching, that is, using interpretative tools that do not really fit the case. Drawing on their varied experience – which evidently overshoots a mere academic knowledge – the authors accepted the theoretical challenge, putting together a thorough review of the extant literature on EU politics and policy processes and an up-to-date analysis of the main steps of a polity which still qualifies as a work-in-progress. In fact, ‘the democratic character of the system is not assessed only on the basis of objective criteria determined by the institutional actors and experts. It also depends on the perception of citizens’ (p. 9).

The book is organized into nine chapters, fluidly flowing in succession and giving the impression of a ‘funnel of causality’, integrating different levels of analysis. Yet, without oversimplifying, since the chapters are interrelated but, at the same time, autonomously telling their own story.

Chapter 1 tackles the historic dimension of European integration, emphasizing its incremental nature and accounting for its phases – up to the current times of crisis. No teleological approach is adopted, since the unpredictability of the events seems nowadays truer than ever: ‘only time will tell how the EU will evolve’ (p.34).

Chapter 2 is dedicated to the ‘grand theories’, as well as the so-called middle range theories of EU integration, which the authors openly endorse – calling this evolution a ‘normalization’ of the EU in political science. The chapter briefly accounts also for more recent contributions coming from fields other than that of European studies, e.g. Comparative Politics or International Relations. A final section effectively summarizes the emergence of the ‘Europeanization’ topic, conceived as a kind of sub-discipline of EU studies: going beyond renamed definitions, more recent theoretical debates on the role played by Europeanization in the study of the EU are presented, underlining the implication of this phenomenon for the interaction between different levels of government.

By using categories and concepts of comparative politics and public policy analysis, chapters 3-6 go straight to the actual functioning of the EU, systematizing reviewing all the institutional and non-institutional actors and processes.

Chapter 3 focuses on the so-called ‘executive power’ (the European Council and the Commission); chapter 4 deals with the main features of the ‘legislative power’ (the Council and the European Parliament), as Commission and the negotiation treaty (1 Dec 2009); chapter 5 is devoted to the organs (e.g. the Court of Justice, or the Court of Auditors) ensuring effectiveness and legitimacy of decision-making; chapter 6 concludes the series by covering the actors external to the five EU institutions and focusing on the area of the EU political system as embedded in a broader context, where other, non-institutional, players (lobbyists, experts, etc.) enter the game. A rich section (6.4) dedicated to national parliaments, whose enhanced role after the Reform treaty has been fraught with both practical and political problems (p.165), has been opportunistically comprised.

Overall, this should have been an ‘inevitably’ scholastic part, pedantically listing nature, powers and functions of the aforementioned institutions and actors: instead, it becomes original and easy to read, thanks to the abundance of practical and informal aspects, which constitute the added value of the volume.

Chapters 7 turns to operational features, describing the evolution of the EU competences before and after Lisbon and the main procedures of decision-making, with abreast considerations on the limits of the logics of decision within the EU, especially at a critical juncture.

While giving emphasis to the plurality of decision-making styles, Chapter 8 proposes a typology of four models, which allows highlighting the specificities of the EU political system. Completing the picture, the final chapter analyses the decision-making process from a public policy network perspective, successfully considered as more sensitive to grasp the EU’s real functioning and uncertain contours – avoiding abstract speculations.

Undeniably, such a real-world approach sets out an innovative way of both understanding and teaching the workings of the EU, to the extent that this volume is recommendable to not only students and fellow scholars, but also to a wider public, and to EU practitioners, wanting to work for responding to the old and new challenges the EU is engaged with.

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